

CONFERENCE COMMITTEE REPORTS

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives B. Oshiro, Tsuji, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives B. Oshiro, Yamane, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

The purpose of this measure is:

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hogue).

Representatives B. Oshiro, Yamane, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives B. Oshiro, Luke, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

The purpose of this measure is to:

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Espero, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

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

Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Sonson, Marumoto.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Sonson, Marumoto.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Ito, Luke, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Luke, Caldwell, Stevens.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stevens).

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

The purpose of this measure is to:

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

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

Your Committee on Conference amended this measure to:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives B. Oshiro, Luke, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Kim, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Takamine, Nakasone, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Luke, Stevens.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stevens).

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

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Espero, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Souki, Luke, Yamashita, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Inouye, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Inouye).

Representatives Chang, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Takamine, Kawakami, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Yamane, Yamashita, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives B. Oshiro, Souki, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

The purpose of this measure is to:

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives B. Oshiro, Nishimoto, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Ige, Whalen.
Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Saiki, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Baker, Fukunaga, Ihara, Trimble.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

Representatives Sonson, Arakaki, Carroll, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

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

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

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

Your Committee on Conference amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Baker, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Baker).

Representatives Luke, Sonson, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Sonson).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Fukunaga, Menor, Ige, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Arakaki, Sonson, Herkes, Evans, Carroll, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Herkes, Halford).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hee, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Saiki, Chong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, English, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, B. Oshiro, Meyer.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Meyer).

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

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

Specifically, this measure:

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, English, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, B. Oshiro, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Specifically, this measure:

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hooser, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Evans, Morita, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Morita, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Specifically, this bill:

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Baker, Espero.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Baker).

Representatives Herkes, Schatz, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Baker, Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Baker).

Representatives Herkes, Yamane, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Sakamoto, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

Representatives Herkes, Luke, Marumoto.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Marumoto).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Ihara, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

Representatives Ito, Luke, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Fukunaga, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Sonson, Herkes, Carroll, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Herkes).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Hooser, Kokubun, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Sonson, Luke, Green, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Hooser, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives B. Oshiro, Sonson, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Fukunaga, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Sonson, Luke, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

This bill also:

- (1) Adopts clarifying amendments to the definitions of "contribution," "professional fundraising counsel," and "professional solicitor";
- (2) Deems a professional fundraising counsel to be a professional solicitor if the fundraising counsel's compensation is related to the amount of contributions received;
- (3) Provides a person, aggrieved by the Attorney General's action refusing to register, or revoking or suspending a registration, with the right to notice of the Attorney General's action and the right to request a hearing to review that action; and
- (3) Allows the attorney general to adopt rules to provide for the extension of filing deadlines and the electronic filing of required registration statements, contracts, forms, and reports.

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Taniguchi, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Luke, Herkes, Wakai, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, English, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Luke, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Trimble).

Representatives Abinsay, B. Oshiro, Tsuji, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Abinsay).

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Inouye, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, Yamane, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Inouye, Hanabusa, Kim, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Evans, Karamatsu, Luke, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kanno, Hanabusa, Chun Oakland.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kanno).

Representatives Arakaki, Luke, Green, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Halford).

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Hale, Karamatsu, Wakai, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

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

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

This measure will:

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

Your Committee on Conference amended this measure by:

- (1) Reinserting a provision that prohibits rebates from exceeding \$3,000,000 in the aggregate in any fiscal year;
- (2) Extending the sunset date of the reverse vending machine, redemption center, and recycling infrastructure improvement programs to June 30, 2009;
- (3) Making the measure effective on June 29, 2006, to prevent the reverse vending machine, redemption center, and recycling infrastructure improvement programs from being repealed before they are extended; and
- (4) Technical, non-substantive amendments for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Taniguchi, Espero, Hooser, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

Representatives Morita, Herkes, Takamine, Yamashita, Pine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

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

The purpose of this measure is to:

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

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

Your Committee has amended this bill by:

- (1) Requiring that any automatic fuel rate adjustment clause requested by a public utility in an application filed with the commission shall be designed, as determined in the commission's discretion, to:
 - (A) Fairly share the risk of fuel cost changes between the public utility and its customers;
 - (B) Provide the public utility with sufficient incentive to reasonably manage or lower its fuel costs and encourage greater use of renewable energy;
 - (C) Allow the public utility to mitigate the risk of sudden or frequent fuel cost changes that cannot otherwise reasonably be mitigated through other commercially available means, such as through fuel hedging contracts;
 - (D) Preserve, to the extent reasonably possible, the public utility's financial integrity; and
 - (E) Minimize, to the extent reasonably possible, the public utility's need to apply for frequent applications for general rate increases to account for the changes to its fuel costs;
- (2) Adding a definition for "biofuels" using language that was embedded in the definition of "renewable energy";
- (3) Moving provisions that were embedded in the definition of "renewable electrical energy" to subsection 269-92(b), HRS, and clarifying in that subsection that:
 - (A) The renewable portfolio standards shall be met by specific types of renewable electrical energy resources; and
 - (B) At least fifty percent of the renewable portfolio standards shall be met by electrical energy generated using renewable energy as the source;

- (4) Requiring the public utilities commission to hold a hearing in accordance with chapter 91 prior to the imposition of any penalties;
- (5) Making the measure effective upon approval; and
- (6) Making technical, non-substantive amendments for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Morita, Herkes, Takamine, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Takamine, Green, Lee, Yamane, Halford.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Tsutsui, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Sonson, Luke, Carroll, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Sonson, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Sonson).

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

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

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

Your Committee on Conference has amended this measure to:

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives B. Oshiro, Luke, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, Luke, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

- (1) Requiring the salary commission to submit its recommendation beginning with the Regular Session of the 2007 Legislature;
- (2) Specifying that any change in salary which becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted; and

- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Ihara, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

Representatives Magaoay, Luke, Yamane, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Halford).

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Sonson, Halford.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Halford).

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

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

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

and
- (5) Amends the offense of failure to comply with covered offender registration requirements to include an offender who fails to satisfy the new reporting requirements for offenders absent from their registered residence.

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives B. Oshiro, Caldwell, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hee).

Representatives Luke, B. Oshiro, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference has amended this measure by:

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

- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Baker, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Luke, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Chun Oakland, Nishihara, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, Berg, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Hee, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Souki, Luke, Lee, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Luke, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this bill by:

- (1) Providing for jury service exemptions for:
 - (A) Elected officials while the Legislature is in session;
 - (B) Judges of the United States, State, or county;

- (C) Active practicing physicians; and
- (D) Members of the armed forces or militia when on active service and deployed out-of-state;
- (2) Specifying that the exemption for members of an emergency medical services agency apply to active members only; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Luke, B. Ohiro, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, English, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Hale, Karamatsu, B. Oshiro, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

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

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

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

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

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

Your Committee has amended the measure by:

- (1) Reducing the mandatory minimum civil fine for littering from the proposed \$250 to \$100; and

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

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

Signed by the Chairs on behalf of the Committee.

Senators English, Ige, Hanabusa, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Morita, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Caldwell, Sonson, Luke, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Ige, Sakamoto, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

Representatives Ito, Souki, Chong, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

Your Committees on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Ito, B. Oshiro, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Ito, Chong, Tanaka, Moses, Yamane.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Tanaka).

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Tsuji, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Caldwell, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Ihara, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Taniguchi).

Representatives B. Oshiro, Kawakami, Carroll, Pine.

Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Carroll).

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

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

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

Your Committee has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hanabusa, Tsutsui, Chun Oakland, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hanabusa).

Representatives Morita, Luke, Chong, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

Your Committee has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Ige, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Morita, Luke, Chong, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Herkes, Luke, Karamatsu, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this bill by:

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

and
- (3) Changing the effective date to upon approval.

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Fukunaga, Inouye, Hemmings.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Kanoho, Yamane, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Tsutsui.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Kahikina, Luke, Nishimoto, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Luke).

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Chang, B. Oshiro, Halford.

Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Ige, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Abinsay, Luke, Yamashita, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

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

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

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

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Espero, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Evans, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Specifically, this measure:

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

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

Your Committee has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators English, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Morita, Kanoho, B. Oshiro, Evans, Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Taniguchi.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Taniguchi).

Representatives Magaoay, Luke, Yamane, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Chang, Luke, Yamane, Meyer.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Ayes, 2. Noes, none. Excused, 1 (Schatz).

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (English).

Representatives Ito, Caldwell, Chong, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Chun Oakland).

Representatives Luke, Souki, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Souki).

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

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Luke, Caldwell, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Sonson, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Sonson).

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

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

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

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

- (1) Removing the provision automatically reconsolidating the agricultural subdivision to the original lot of record upon expiration or termination of the lease;
- (2) Changing the minimum time period for agricultural subdivision lease lots from ten or more years to the greater of:

- (A) The minimum real property tax agricultural dedication period of the county in which the lot is located; or
- (B) Five years;
- (3) Clarifying that a subdivided lot is required to be treated as, instead of considered as, legal lots of record for mortgage lending purposes;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Ige, English, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Chang, Luke, Yamashita, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

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

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Herkes, Luke, Souki, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Souki).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Inouye, Taniguchi, Hooser, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Whalen).

Representatives Karamatsu, Yamane, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Ige, Hanabusa, Fukunaga, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Karamatsu, B. Oshiro, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

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

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

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

Your Committee on Conference has amended this bill by:

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Luke, Souki, Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

- (1) Clarifying that the existing condominium law, Chapter 514A, Hawaii Revised Statutes (HRS), applies to existing condominiums created prior to July 1, 2006;
- (2) Providing that certain sections of the new law apply to existing condominiums, except to the extent necessary to preserve a developer's reserved rights and prevent unreasonable impairment of contracts;
- (3) Making it easier for existing condominiums to amend association documents to adopt and take advantage of the new law, by allowing a majority of owners to approve these amendments;
- (4) Specifying that amendments to the condominium declaration are not needed to:
 - (A) Change open or landscaped common elements to other uses, except as specified in the declaration; and
 - (B) Make minor changes to the common elements for the benefit of one owner that do not substantially impact the interests of other owners;
- (5) Exempting leases or other agreements related to installation of telecommunications equipment from requirements applicable to other common element leases;
- (6) Providing that in the absence of bylaws authorizing fines, fines for violation of the declaration, bylaws, or rules, may be authorized by board resolution requiring notice, an opportunity to be heard, and an appeal process;
- (7) Providing that the financing of insurance premiums by the association that spreads costs over the budget year is not a loan that requires a vote of the owners;
- (8) Changing the procedures allowing associations with 100 or more units to reduce the number of directors on the board;
- (9) Removing the prohibition against an owner acting both as a director and an employee of the association's managing agent, and prohibiting an owner who is a director and managing agent employee from participating in board discussions of the association management contract;
- (10) Specifying that the association, in exercising its right of access to a unit to maintain and repair the common elements, is not responsible for the costs of removing or replacing finished surfaces or barriers that impede the association from performing its repairs and maintenance;

- (11) Allowing the board, with the vote or consent of a majority of owners, to require all owners to obtain reasonable types and levels of insurance for risks not covered by the association's insurance;
- (12) Allowing the association to demand and receive delinquent common expenses from the rental agent renting the delinquent unit;
- (13) Clarifying who constitutes a "lessee" for purposes of assessing the costs of the association's lease rent renegotiations;
- (14) Amending the condominium and cooperative housing corporation lease-to-fee conversion law for consistency with Chapter 514B, HRS; and
- (15) Making technical, nonsubstantive amendments to Chapter 514B, HRS, for clarity, consistency, and style.

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Schatz, Marumoto.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Schatz).

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

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

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

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

and
- (3) Making technical, nonsubstantive amendments for clarity and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Hanabusa, Baker, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

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

Ayes, 3. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Chun Oakland).

Representatives B. Oshiro, Caldwell, Stevens.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stevens).

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives B. Oshiro, Caldwell, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives B. Oshiro, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Baker).

Representatives Morita, Herkes, Evans, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hanabusa, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hanabusa).

Representatives Caldwell, Herkes, Nakasone, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hanabusa, Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hogue).

Representatives Caldwell, Karamatsu, Wakai, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Takamine, Kawakami, Nakasone, Moses.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference has amended this bill by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Ihara.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Taniguchi).

Representatives Saiki, Takamine, Carroll, Chong, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Carroll).

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Taniguchi).

Representatives Saiki, Kahikina, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

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

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

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

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

Your Conference on Conference has amended this measure by:

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

- (7) Making it effective on December 31, 2006; and
- (8) Making technical, nonsubstantive changes for consistency.

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanohe, Luke, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Ige, Taniguchi, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

Your Committee on Conference notes that the ethnically neutral language used in the Senate's version to add the requirement for one member of the Commission to have substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices is almost identical to the requirements for the Commission on Water Resource Management. Your Committee

on Conference further notes that this language was used purposefully because it is ethnically neutral and to date, there has been no indication that the Commission on Water Resource Management has had any difficulty identifying or qualifying new members.

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

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

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, Morita, Meyer.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Morita).

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

The purpose of this measure is to clarify that:

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

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

Your Committee has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Ige, Menor, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Menor).

Representatives Souki, Luke, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

Your Committee has amended this bill by:

- (1) Deleting the provisions requiring insurers to annually file financial audits with the Insurance Commissioner;

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

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

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Herkes, Schatz, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Taniguchi).

Representatives Luke, Nishimoto, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

Your Committee on Conference has amended this measure to:

- (1) Reinstate section 2 of the senate draft of S.B. No. 2922, which:
 - (a) Required that persons other than individuals, including corporations, partnerships, associations, or organizations to make contributions to candidates, candidate committees, noncandidate committees other than its own and parties through a noncandidate committee only; and
 - (b) Allowed persons other than an individual to transfer an unlimited amount of money from its own funds to its respective noncandidate committee;
- (2) Include limited liability corporations to section 2;
- (3) Add language to section 2 to distinguish between individuals using their own funds and all others, and providing that persons other than individuals using their own funds must register pursuant to section 11-194;
- (4) Insert sections 1 through 4, 6 through 8, section 10, and sections 12 through 16 of H.B. 3101 SD1 with technical amendments for clarity and to track federal guidelines;
- (5) Delete the reference to the one-time transfer that was added to section 11-204(b), Hawaii Revised Statutes;
- (6) Add language to make partnerships' contributions attributable only to a partner's pro rata interest in the partnership in order to conform to the federal guidelines;
- (7) Add language requiring a limited liability company to conform to its Internal Revenue Service status in order to conform to the federal guidelines;
- (8) Add a new section to provide for a statute of limitation in section 11-228, Hawaii Revised Statutes;
- (9) Change the effective date to upon approval, provided that Section 2 be effective retroactively to January 1, 2006; and
- (10) Make technical changes for style, clarity, and conformance.

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, B. Oshiro, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

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

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

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

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

Your Committee on Conference recognizes that the redaction of social security numbers can be a burdensome task for agencies to implement especially with regards to records and documents that are already on file or archived. Thus, your Committee on Conference encourages that the identity task force established in H.B. No. 3244, in its final amended form, establish a timetable for the removal of

personal identifying information from public records by reviewing the current practices associated with the public inspection of records, the current volume of these records, and its likely future volume increase or decrease.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2158, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2158, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Hanabusa, Baker, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Baker, Hogue).

Representatives Herkes, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 111 on S.B. No. 2159

The purpose of this measure is to increase protections for personal information by making it a class C felony to steal three or more items of mail belonging to three or more unrelated persons in the same or separate incident as part of a common scheme or plan.

Hawaii law enforcement has found it difficult to curb the rise in identity theft-related crimes, as identity thieves in possession of personal information who have not yet caused a monetary loss to the victim cannot be prosecuted for crimes other than petty misdemeanor thefts. Your Committee on Conference finds that increasing the penalties for identity theft will help deter identity theft crimes in Hawaii.

Your Committee on Conference has amended this measure by replacing its substance with the language from S.B. No. 2159, S.D. 2. The language from the S.D. 2 increases the protection of personal information by making it a class C felony to intentionally or knowingly possess confidential information of another without authorization, and by adding identity theft as an enumerated offense within the repeat offender statute.

Your Committee on Conference has further amended this measure by adopting language suggested by the Department of the Attorney General and amending the new section in chapter 708 by clarifying that the affirmative defense involves possession of confidential personal information, and not just confidential information. Furthermore, the effective date was changed from January 1, 2020, to take effect upon approval, and nonsubstantive, technical amendments were made for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2159, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2159, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Hanabusa, Baker, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Baker, Menor).

Representatives Herkes, Luke, Meyer.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 112 on S.B. No. 2193

The purpose of this bill is to increase planned community association member access to certain association documents.

Your Committee has amended this measure by:

- (1) Deleting the proposed new sections relating to: (a) Member's information requests and written notification of costs; (b) Annual audits of planned community associations' financial accounts; and (c) Authority for the Director of Commerce and Consumer Affairs to conduct a study, receive complaints, and conduct hearings on controversies between members and associations;
- (2) Providing that meetings of the board of directors of planned community associations, except executive session meetings, shall be open to all members for the purpose of members providing input on the matters being discussed;
- (3) Deleting the requirement that minutes of the meetings of the board of directors of planned community associations shall include the recorded vote of each board member on all motions;
- (4) Deleting the provisions prohibiting board members with a conflict of interest from voting;
- (5) Deleting the requirement that association documents be made available at a location within the planned community;

- (6) Requiring that the minutes of board meetings be transmitted within a "reasonable period of time" after receipt of a request for those minutes, rather than fifteen days;
- (7) Deleting the requirement that the board of directors notify a member in writing of the intent to charge fees and the amount of fees;
- (8) Making technical, nonsubstantive amendments for clarity and style; and
- (9) Changing the effective date from "July 1, 2050" to "July 1, 2006."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2193, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2193, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Ige, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Herkes, Schatz, Marumoto.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Schatz).

Conf. Com. Rep. No. 113 on S.B. No. 2290

The purpose of this measure is to protect individuals from identity theft by requiring businesses and government agencies that maintain records containing personal information to notify Hawaii residents when the safety of the resident's personal information has been compromised by an unauthorized disclosure.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. Your Committee on Conference finds that this measure seeks to ameliorate the growing plague of identity theft by requiring businesses and government agencies that maintain records containing an individual's personal information to notify that individual of a security breach. Your Committee on Conference further finds that this measure provides guidance to businesses and government agencies as to the security breach notification requirements and will provide valuable tools that Hawaii residents can use to protect themselves against becoming a victim of identity theft.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "security breach" by clarifying that a security breach includes an incident where illegal use of personal information has occurred, or is reasonably likely to occur and creates a risk of harm to a person;
- (2) Amending § -2(e)(4) by changing the triggers for substitute notice by changing the cost of providing notice from \$250,000 to \$100,000 and changing the size of the class of affected individuals from five hundred thousand to two hundred thousand;
- (3) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for a sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (4) Requiring government agencies to submit a detailed written report to the Legislature within twenty days after discovering the security breach at the government agency, unless the report will impede a criminal investigation;
- (5) Changing the effective date from July 1, 2050 to January 1, 2007; and
- (6) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2290, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2290, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Hanabusa, Baker, Hogue.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Baker, Menor).

Representatives Herkes, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 114 on S.B. No. 2292

The purpose of this measure is to require businesses and government agencies that maintain or possess personal information of Hawaii residents to protect against unauthorized access to or use of the information after its disposal by properly destroying the personal information.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. Business records are a leading source of personal information for identity thieves. Your Committee on Conference finds that any business or government agency that maintains personal information as part of its business operations should establish security procedures to maintain the confidentiality and integrity of that information.

Your Committee on Conference has amended this measure by:

- (1) Correcting the citation for the Fair Credit Reporting Act under § -2(e)(3);
- (2) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for a sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (3) Requiring government agencies to submit a detailed written report to the Legislature within twenty days after discovering a material occurrence of an unauthorized access to personal information records in connection with or after its disposal by or on behalf of the government agency, unless the report will impede a criminal investigation;
- (4) Changing the effective date from July 1, 2050 to January 1, 2007; and
- (5) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2292, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2292, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Hanabusa, Baker, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

Representatives Herkes, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 115 on S.B. No. 2293

The purpose of this measure is to restrict businesses and government agencies, subject to limited exceptions, from disclosing an individual's social security number to the general public, and establishing penalties for noncompliance.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. One of the tools most often used to steal an individual's identity is that individual's social security number. Your Committee on Conference finds that this measure will provide guidelines and procedures for businesses and government agencies that collect, possess, or use social security numbers in the course of its legitimate business or governmental purposes to prevent the unauthorized disclosure of these social security numbers.

Your Committee on Conference has amended this measure by:

- (1) Deleting the short title, "Social Security Number Protection Act of 2006" to conform with the style and format of the Hawaii Revised Statutes;

- (2) Deleting the provision that excludes government agencies from the definition for "business";
- (3) Deleting the definition for "state" and replacing it with a definition for "government agency," which also broadens its scope to include county agencies;
- (4) Deleting references to "state" (meaning agencies of the State) throughout this measure and replacing it with "government agency";
- (5) Amending § -2(a)(5) of the new chapter to include materials that are employer-to-employee communications, and when the printing of an individual's entire social security number is specifically requested by that individual;
- (6) Deleting the provision under § -2(a) that prohibits businesses and government agencies selling, leasing, loaning, trading, renting, or otherwise intentionally disclosing an individual's social security number to a third party if that third party lacks a legitimate purpose for obtaining the social security number;
- (7) Amending § -2(b)(1)(E) of the new chapter to include that the inclusion of a social security number in documents that are mailed is allowed if it is used to confirm the accuracy of the social security for the purpose of obtaining a credit report pursuant to 15 U.S.C. section 1681(b);
- (8) Correcting the citation for the Fair Credit Reporting Act under § -2(b)(3);
- (9) Amending § -2(b)(4) of the new chapter to clarify that § -2(a) shall not apply to a business or government agency that is acting pursuant to a court order, warrant, subpoena, or when otherwise required by law;
- (10) Amending § -2(b)(5) of the new chapter to clarify that § -2(a) shall not apply to a business or government agency that is providing an individual's social security number to a federal, state, or local government entity;
- (11) Amending § -2(b) of the new chapter to include that § -2(a) shall not apply to the collection, use, or release of a social security number in the course of administering an employment claim, benefit, or procedure;
- (12) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for the sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (13) Requiring government agencies to submit a written report to the Legislature within twenty days after discovering a material occurrence of a social security number disclosure that is prohibited by the new chapter, unless the report will impede a criminal investigation;
- (14) Changing the effective date from July 2006 to July 1, 2007; and
- (15) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

Your Committee on Conference encourages further review on the issue of the sale, lease, loan, trade, rent, or other intentional disclosure of an individual's social security number to a third party that may lack a legitimate purpose for obtaining the individual's social security number. Therefore, your Committee on Conference recommends that the Identity Theft Task Force, established under H.B. 3244 in its final amended form, reviews and continues further discussion on this issue.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2293, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2293, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Fukunaga, Baker, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 116 on S.B. No. 2887

The purpose of this measure is to have the Hawaii Teacher Standards Board establish alternative criteria to allow more individuals with trade or industry experience to teach vocational, technical, and career pathway education classes.

Your Committee on Conference has accepted House Draft 1 terminology that more completely describes “career pathway education” teachers and classes, and has amended this measure to change the effective date from July 1, 2020, to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2887, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Nishihara, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Takumi, Finnegan, Yamashita.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Takamine).

Conf. Com. Rep. No. 117 on S.B. No. 2090

The purpose of this measure is to require the Hawaii Community Development Authority to:

- (1) Provide more community and public notice for its public hearings;
- (2) Render any decision for an amendment to the authority’s community development rules, or for the acceptance of a developer’s proposal to develop lands under the authority’s control, at a separate hearing from the hearing at which the proposal was presented;
- (3) Allow the public an opportunity to testify at the decision-making hearings; and
- (4) Require the authority to notify the President of the Senate and Speaker of the House:
 - (a) Of any public hearing upon posting of the hearing notice; and
 - (b) With a report detailing the public’s reaction at the public hearing, within one week after the hearing.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2090, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2090, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Trimble).

Representatives Kanoho, Magaoay, Yamane, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 118 on S.B. No. 3077

The purpose of this measure is to have the Department of Land and Natural Resources consult with the leaders of the Legislature in certain situations relating to conservation lands.

Specifically, this measure:

- (1) Requires the Department of Land and Natural Resources to consult with the Senate President and Speaker of the House of Representatives when:
 - (A) Preparing or revising a resource land acquisition plan; and
 - (B) Making recommendations to the Board of Land and Natural Resources (BLNR) on the acquisition of lands having value as a resource to the State; and
- (2) Requires the Board of Land and Natural Resources to consult with the Senate President and Speaker of the House of Representatives when:

- (A) Selling, leasing, or otherwise conveying lands having value as a resource to the State; and
- (B) Making grants to state agencies, counties, and nonprofit land conservation organizations for the purchase or acquisition of interests or rights in land having value as a resource to the State.

Your Committee on Conference has amended this measure by:

- (1) Establishing and assigning responsibilities to a Legacy Land Conservation Commission to assist the Department of Land and Natural Resources and the Board of Land and Natural Resources in administering the land conservation fund;
- (2) Establishing criteria for prioritizing land and easement acquisitions with moneys from the land conservation fund;
- (3) Providing a process for the development and periodic updating of a resource land acquisition plan;
- (4) Inserting the amount of \$1,100,000 for the purchase of agriculture easements to protect farm and ranch lands throughout the State; and
- (5) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3077, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3077, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, English, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (English).

Representatives Kanoho, B. Oshiro, Evans, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 119 on S.B. No. 3000

The purpose of the measure is to implement recommendations of the Joint Legislative Housing and Homeless Task Force with regard to streamlining government approvals and permitting for affordable housing.

Your Committee finds that this measure will:

- (1) Require reviewing agencies to respond within forty-five days of receipt of an application, or the application will be deemed acceptable as submitted for review; and
- (2) Allow county councils and the Land Use Commission to approve projects with modifications as well as approve or deny.

Your Committee has amended the measure to:

- (1) Amend references to "corporation" to read "administration";
- (2) Change the effective date to July 1, 2006; and
- (3) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3000, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3000, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Ige, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kahikina, Kanoho, Magaoay, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 120 on S.B. No. 2774

The purpose of the measure is to assist families who may lose their homes due to the closure of plantations such as Del Monte Fresh Produce by making plantation community subdivisions a permitted use in the state agricultural land use district.

Your Committee finds that the employees and former employees who live in plantation communities must be assured that their homes are secure and protected from any action that might declare them to be an impermissible or illegal land use, in the event that those units may require permits for renovation or reconstruction at some time in the future.

Your Committee further finds that the Department of Planning and Permitting of the City and County of Honolulu is concerned that as drafted, plantation dwellings could be demolished, rebuilt, and sold or rented to others, thus erasing all elements of plantation camp or rural living without providing the current residents a means to address the existing substandard infrastructure. However, your Committee finds that these concerns can be addressed in the county planning and permitting process, and by the residents' plan to establish cooperative ownership under a restrictive covenant that would restrict sale or even rental of the homes. Your Committee is fundamentally concerned that the residents will have major difficulties seeking funds to upgrade substandard plantation camp infrastructure if the use itself remains nonconforming under state law.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2774, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2774, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Kokubun, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives Kahikina, Kanoho, Magaoay, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 121 on S.B. No. 3111

The purpose of this measure is to establish a commission to recognize and honor Congresswoman Patsy T. Mink and appropriate funds for the commission.

Congresswoman Patsy T. Mink made a tremendous impact on the people of Hawaii and the nation through her illustrious career as an outstanding public servant. She is known for championing the rights of immigrants, minorities, women, families, and children, and overcame gender and racial discrimination to become one of the most influential leaders of her generation. Your Committee on Conference finds it appropriate to establish a temporary commission to recognize and honor Congresswoman Mink.

Your Committee on Conference has amended this measure by:

- (1) Adopting the suggestion made by the Department of the Attorney General and deleting the provision that exempts from chapter 42F, Hawaii Revised Statutes any grant or subsidy made by the Legislature to finance the commission;
- (2) Adding the amount of \$10,000 to the blank appropriation; and
- (3) Changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3111, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3111, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, English, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takamine, Lee, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Lee).

Conf. Com. Rep. No. 122 on S.B. No. 2727

The purpose of this bill is to allow the neurotrauma special fund to be used for direct services to neurotrauma survivors and require that moneys from the special fund be appropriated to obtain federal and private grant matching funds.

This bill will assist individuals with neurotraumatic injuries in paying for direct services. The neurotrauma special fund that was established in January 2003 for education, assistance with identifying services, and creation of a registry has collected nearly \$1,000,000. This fund now will be permitted to pay for direct services, and to obtain federal and private grant matching funds.

Your Committee on Conference amended this bill by:

- (1) Extending the time in which the Department of Human Services must apply for a traumatic brain injury waiver from 2006 to 2007;
- (2) Including cognitive therapy, personal assistance, respite care, and day health programs as services that assist individuals with neurotraumatic injuries; and
- (3) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2727, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2727, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Whalen).

Representatives Arakaki, Nishimoto, Green, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 123 on S.B. No. 439

The purpose of this measure is to authorize the State Ethics Commission to impose an administrative fine not to exceed \$500 for a violation of the state ethics laws.

Despite being responsible for administering the State Ethics Code, the State Ethics Commission lacks the power and authority to issue a fine for violations. This measure will endow the State Ethics Commission with the authority to impose an administrative fine for violations of state ethics laws.

Your Committee on Conference has amended this measure to change the effective date from July 1, 2020 to upon approval.

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

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Ihara, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Magaoay, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 124 on S.B. No. 467

The purpose of this measure is to provide gender responsive programming for female offenders and female adjudicated youths.

This measure requires a range of quality custody-based programs for female offenders and female adjudicated youths that establishes standards for programs to ensure the health, psychological, social, economic, and educational needs of female offenders.

Your Committee on Conference has amended this measure to:

- (1) Insert the S.D. 2 language regarding parity to female offenders and female adjudicated youths;
- (2) Insert the amount of \$175,000 to be appropriated for gender-responsive, community based programs for women;
- (3) Insert the amount of \$25,000 to be appropriated for gender-responsive, community based programs for female adjudicated youths;
- (4) Change the effective date to July 1, 2006; and

- (5) Make technical changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 467, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 467, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kim, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kim).

Representatives Ito, Luke, Chong, Tanaka, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Luke).

Conf. Com. Rep. No. 125 on S.B. No. 1294

The purpose of this measure is to dedicate a portion of the funds derived from the public land trust for the repair and maintenance of the Royal Mausoleum at Mauna `Ala.

As Mauna `Ala is significant not only to the native Hawaiian population but to the entire State, it is the Legislature's intent that there be a permanent and continuing source of funding for the care and maintenance of Mauna `Ala. The sums appropriated in this measure shall be separate from the twenty per cent of the revenues designated for the Office of Hawaiian Affairs pursuant to section 10-13.5, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure to:

- (1) Make a one time appropriation of \$180,000 of the funds derived from the public land trust as described in section 10-3, Hawaii Revised Statutes, for the repair and maintenance of Mauna `Ala;
- (2) Insert language to specify that the sum appropriated shall not come from the public land trust proceeds designated for the Office of Hawaiian Affairs pursuant to section 10-13.5, Hawaii Revised Statutes;
- (3) Designate the Office of Hawaiian Affairs as the expending agency; and
- (4) Change the effective date from July 1, 2093 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1294, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1294, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Saiki, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. No. 126 on S.B. No. 2898

The purpose of this bill is to designate the Chief Executive Officer of Hawaii Health Systems Corporation as the chief procurement officer and to increase the qualifying small purchase amount from \$25,000 to \$50,000.

This bill will reduce procurement delays of essential medical supplies and equipment, and ensure that patient care and safety is not jeopardized, by designating the Chief Executive Officer of Hawaii Health Systems Corporation as the chief procurement officer and increasing the allowable small purchase amount.

Your Committee on Conference amended this bill by:

- (1) Including a provision for small purchases through an electronic procurements system that is in accordance with rules issued by the policy board; and
- (2) Changing the effective date to "upon approval; provided that section 2 shall take effect on July 1, 2007 or upon the adoption of rules issued by the policy board for all agencies subject to Chapter 103D, whichever occurs first: The policy board shall immediately inform the revisor of statutes upon the adoption of such rules."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Inouye, Tsutsui, Espero, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 127 on S.B. No. 2720

The purpose of this measure is to amend certain provisions of Act 51, Session Laws of Hawaii 2004, to repeal the transfer of functions from the Departments of Budget and Finance, Attorney General, and Human Services to the Department of Education, and to delay for one year the transfer of school health aides and public health nurses from the Department of Health to the Department of Education.

Your Committee on Conference has accepted the Senate Draft 2 version of this measure. Accordingly, the measure has been amended by delaying for one year, rather than repealing, the transfer of functions from certain state departments to the Department of Education.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2720, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2720, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Inouye, Taniguchi, Espero, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

Representatives Takumi, Takamine, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 128 on S.B. No. 3072

The purpose of this measure is to streamline the process for adjusting fee charges for medical services provided under a motor vehicle insurance policy's personal injury protection provisions.

Specifically, this measure allows insurers to adjust fee charges to conform them to the applicable fee schedule without issuing formal denial notices. This measure also provides that fee adjustments constitute the acceptance of treatments and not the denials of benefits.

Your Committee on Conference finds that recent litigation over an insurer's practice of adjusting medical procedure codes provided to an insured under a motor vehicle insurance policy, paying the provider the undisputed amount billed, then seeking to negotiate with the provider over the disputed portion of the bill has revealed ambiguities in the current law. Pursuant to Orthopedic Assoc. of Hawaii, Inc. v. Hawaiian Ins. & Guar. Co., Ltd., 109 Hawaii 185 (2005), the Supreme Court ruled that in situations where the insurer disputes billing codes or billing amounts, but not the treatment provided, and pays the undisputed portion of the bill, the insurer is still required to issue a formal denial notice pursuant to section 431:10C-304(3)(B), Hawaii Revised Statutes. Your Committee on Conference further finds that, as a result of the Court's ruling in Orthopedic Assoc. of Hawaii, insurers are required to issue denial notices in the thousands, in triplicate, each month for billing discrepancies, even though the amount disputed may be as little as one dollar. The issuance of these denial notices has not only significantly increased the amount of paperwork required of insurers, but has also created a great deal of stress and concern for the insureds who are confused as to whether and why their treatments have been denied.

Your Committee on Conference believes that changes to the law are necessary to streamline the onerous process required by the Supreme Court and to clarify the legislative intent that treatment denials and payment disputes should be treated differently. Your Committee on Conference further believes that an insured or claimant should not be denied the opportunity to contest an insurer's decision to dispute a provider's charges. In Wilson v. AIG Hawaii Ins. Co., 89 Hawaii 45 (1998), the Court held that the statutory scheme insulating claimants from personal liability for unpaid portions of medical bills reflected a legislative intent not to permit insureds to contest payment disputes, notwithstanding statutory language permitting any insured to contest such disputes. The law should provide a claimant with the ability to submit a dispute to the commission, arbitration, or a court, reflecting the legislative intent to allow claimants to contest fee disputes. Patients have a direct interest in proper payment to their doctors to maintain appropriate treatment and patient-doctor relationships. Your Committee on Conference finds that it is necessary to permit claimants to contest fee disputes to maintain the pool of doctors willing to treat accident patients, as many doctors have stopped accepting accident patients because of the Wilson case, making needed medical treatment unavailable to many patients. Accordingly, claimants, insurers, and providers should be statutorily afforded real party in interest status and standing to contest all fee disputes.

Your Committee on Conference has amended this measure by:

- (1) Allowing a provider, claimant, or insurer to submit any dispute involving the billed amount, correct fee, or procedure code to the Commissioner, arbitration, or a court of competent jurisdiction;
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style; and
- (3) Changing the effective date to become effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3072, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3072, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Menor, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Lee, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 129 on S.B. No. 2343

The purpose of this bill is to authorize the Department of Health and the Department of Human Services to conduct criminal background checks of persons providing care or having access to elderly and disabled individuals in health care facilities.

This bill will assist in ensuring the safety of the elderly and disabled in health care facilities by requiring individuals that are involved their care to undergo background checks.

Your Committee on Conference amended this bill by:

- (1) Deleting the definition for “finding of patient or resident abuse”;
- (2) Specifying that the department may request criminal history record information which includes Federal Bureau of Investigation data through the Hawaii criminal justice data center; and
- (3) Changing the effective date to “upon its approval.”

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Hanabusa, Hooser, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Whalen).

Representatives Arakaki, Luke, Nishimoto, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 130 on S.B. No. 2145

The purpose of this measure is to promote the coordination of the State’s environmental justice activities and require a comprehensive review of the State’s existing environmental impact statement process.

This measure will help ensure that principles of environmental justice are systematically included in all phases of the environmental review process. It will also help ensure that each agency fulfills its duty to identify and address any disproportionately adverse human health, environmental, or cultural effects on minority populations, native Hawaiians, and low-income populations that would be caused by a proposed action or the agency’s policies, programs, and activities.

Your Committee on Conference has amended this measure by:

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

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

Signed by the Chairs on behalf of the Committee.

Senators English, Hanabusa, Taniguchi, Kokubun, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Taniguchi).

Representatives Morita, B. Oshiro, Evans, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 131 on S.B. No. 2957

The purpose of this measure is to provide one segment of a larger comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

This is an omnibus energy package, the original contents of which were divided between this measure and H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1, after agreement by your Committee on Conference.

In its current version, this measure will:

- (1) Increase renewable energy technology tax credits for certain energy systems and remove the tax credit's January 1, 2008, sunset date;
- (2) Authorize the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;
- (3) Update the State's energy policy to promote state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
- (4) Require the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and to make recommendations on how and when to conduct periodic energy audits;
- (5) Authorize the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (6) Appropriate funds to hire a full-time energy conservation coordinator position position to address energy efficiency in Department of Education facilities;
- (7) Appropriate funds to hire a full-time energy-efficiency coordinator position within the Department of Business, Economic Development, and Tourism;
- (8) Accelerate the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (9) Require the counties to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (10) Establish a biofuel preference in Hawaii's procurement law;
- (11) Establish a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and appropriate funds for the hydrogen program and the special fund;
- (12) Appropriate funds to conduct a statewide multi-fuel biofuels production assessment of potential feedstocks and technologies;
- (13) Appropriate funds to provide assistance to the agricultural community interested in developing energy projects, especially for the production of biodiesel from energy crops and cellulosic ethanol from agricultural waste streams;
- (14) Appropriate funds for the Hawaii Natural Energy Institute to hire one full-time hydrogen system program manager; and
- (15) Require the Public Utilities Commission to implement a "pay as you save" pilot program to help residents purchase energy-efficient solar hot water heater systems.

Your Committee on Conference has amended this measure by:

- (1) Deleting certain sections that are present in H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1, relating to:

- (A) The issuance of general obligation bonds for a photovoltaic, net energy metered system pilot project in public schools;
 - (B) The promotion of state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
 - (C) The establishment of benchmarks by the State's Energy Resources Coordinator and other increased responsibilities;
 - (D) The issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
 - (E) Hiring coordinators within the Department of Education and within the Department of Business, Economic Development, and Tourism;
 - (F) Energy-efficient vehicles into the State's motor vehicle fleet; and
 - (G) Priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (2) Determining that the biofuel preference shall be:
 - (A) For use in diesel engines, five cents per gallon of one hundred per cent biodiesel; and
 - (B) For use in boilers, five cents per gallon of one hundred per cent biofuel;
 - (3) Deleting the appropriation for the Hawaii Renewable Hydrogen Program;
 - (4) Further facilitating the development of alternate fuels by establishing state support of the attainment of a statewide alternate fuel standard of ten percent of highway fuel demand to be provided by alternate fuels by 2010, fifteen percent by 2015, and twenty percent by 2020;
 - (5) Making the measure effective upon approval; provided that the section pertaining to renewable energy technology tax credits shall apply to taxable years beginning after December 31, 2005; provided further that the increased tax credits shall be available only to eligible renewable energy technology systems installed after July 1, 2006; and provided further that the appropriation sections shall take effect on July 1, 2006; and
 - (6) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2957, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Taniguchi, Espero, Kokubun, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Menor).

Representatives Morita, Herkes, Takamine, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 132 on S.B. No. 3181

The purpose of this measure is to improve recycling efforts in the State by amending parts of the Deposit Beverage Container Program.

This measure will:

- (1) Increase the volume limit on containers to equal to or less than sixty-eight fluid ounces;
- (2) Eliminate the requirement for deposit beverage distributors to distinguish each container's manufacture location when calculating payment of fees for inventory reports and monthly reports;
- (3) Prohibit containers that do not meet the definition of container from indicating the Hawaii refund value;
- (4) Require redemption center dealers to operate each redemption center for a minimum of thirty hours a week, of which five hours shall be on a Saturday or Sunday;
- (5) Allow consumers to request that refund values be computed by container count for loads of two hundred containers or less;

- (6) Allow redemption center dealers to refuse to pay refund values on containers that exhibit characteristics of having been previously processed or baled;
- (7) Require redemption centers to physically receive the deposit beverage containers to receive handling fees from the Department of Health; and
- (8) Establish penalties and fines for individuals who intend to defraud the program through false or fraudulent reports or claims and divert levied fines to the Deposit Beverage Container Deposit Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision that would have required redemption center dealers to operate each redemption center for a minimum amount of time;
- (2) Making the measure effective upon its approval; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3181, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3181, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Taniguchi, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Morita, Herkes, Yamashita, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 133 on S.B. No. 486

The purpose of this measure is to support safe, structured learning environments and programs for children and youth during non-school hours.

This measure will support supervised programs for children and youth enrolled in school to help provide care before and after school.

Your Committee on Conference has amended this measure by amending the fiscal year to 2006-2007 for the appropriations, making the non-school hour programs for kindergarten through twelfth grades, making the funding source general funds, changing the effective date to July 1, 2006, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 486, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 486, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Tsutsui, Fukunaga, Kokubun Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Kokubun, Taniguchi).

Representatives Sonson, Carroll, Moses.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 134 on S.B. No. 3003

The purpose of this measure is to extend income eligibility for the state pharmacy assistance plan to one hundred fifty percent of the federal poverty level.

This measure will provide prescription assistance to eligible state residents earning up to one hundred fifty percent of the federal poverty level.

Your Committee on Conference has amended this measure by:

- (1) Removing the directive for qualification of the State Pharmacy Assistance Program by the federal Centers for Medicare and Medicaid Services;

- (2) Eliminating the requirement for the Department of Human Services to provide enrollment assistance for the Medicare Part D program;
- (3) Extending eligibility to State Pharmacy Assistance Program applicants enrolled in another public assistance program that provides pharmacy benefits to include Medicaid recipients;
- (4) Reinstating the asset test requirement;
- (5) Deleting the provisions relating to payment of enrollee costs required under the federal Medicare Part D program, including deductibles and co-payments;
- (6) Amending the funding provisions relating to sufficient rebates received pursuant to section 346-342(g), Hawaii Revised Statutes;
- (7) Deleting the provisions of Section 4, relating to the use of moneys in the State Pharmacy Assistance Program Special Fund, and Section 5, relating to the repeal of the definition of "full coverage prescription drug benefit";
- (8) Replacing the \$1 appropriation with a dollar amount;
- (9) Changing the effective date to July 1, 2006, except the effective date for Section 3, regarding funding resources, was changed to July 1, 2007; and
- (10) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3003, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3003, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Tsutsui, Fukunaga, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Taniguchi).

Representatives Sonson, Arakaki, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 135 on S.B. No. 3215

The purpose of this measure is to continue the Children of Incarcerated Parents Task Force through 2007.

This measure enables the Children of Incarcerated Parents Task Force to continue its efforts to develop programs to aid children whose parents are incarcerated, to strengthen these families, and to break the cycle of violence within them.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, amending the sunset date to December 31, 2007 in order to give the Task Force time to file its report to the Legislature, inserting a dollar amount to be appropriated, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3215, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3215, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Hooser, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Taniguchi).

Representatives Sonson, Ito, Chong, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 136 on S.B. No. 3247

The purpose of this measure is to ensure the continuation of care homes and the availability of care homes to Medicaid recipients.

This measure increases the maximum capacity for adult family boarding homes and care homes from five to six non-family members and increases the authorized number of non-family member residents who may be incapable of self-preservation from two to three. It also enables the Department of Health to allow at its discretion an additional resident in certain Adult Residential Care Homes.

Your Committee on Conference has amended this measure as follows:

- (A) For Type I homes, authorizing the Department of Health to allow up to six residents at its discretion, provided that the primary caregiver or home operator is a certified nurse aide who has completed a state-approved training program and other training required by the Department;
- (B) For Community Care Foster Family Homes, the Department may certify the home for a third adult at its discretion, provided that the resident is at the nursing level of care and a medicaid recipient, and provided further that the primary and substitute caregivers are certified nurse aides who have completed a state-approved training program and other training required by the Department;
- (C) Removing the requirement that increased capacity for a Type II home include at least one bed reserved for Medicaid patients;
- (D) Deleting the section repealing the sunset provisions of Act 273, Session Laws of Hawaii 2001, as amended by Acts 95 and 98, Session Laws of Hawaii 2003, and Act 153, Session Laws of Hawaii 2004;
- (E) Changing the effective date to July 1, 2007; and
- (F) Making technical, non-substantive amendments for clarity, consistency, and style.

Your Committee on Conference intends the Department of Health to include its "Critical Thinking and Judgment" and the "Behavior Management" training modules as part of the "other training required by the Department" with respect to the Adult Residential Care Homes expansion.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3247, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Baker, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Trimble).

Representatives Sonson, Arakaki, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 137 on S.B. No. 3252

The purpose of this measure is to appropriate funds to the Executive Office on Aging to coordinate a statewide system of family caregiver support.

This measure will help the Executive Office on Aging maintain the quality of life of Hawaii's older adults and their families through the expansion of its Kupuna Care Services Program. It will also aid in the coordination and development of family caregiver support services.

Your Committee on Conference has amended this measure by:

- (1) Reinserting the provisions of Part II of the Senate Draft 2 as Part I, which relate to expanding the Executive Office on Aging's Kupuna Care Services Program and appropriating funds;
- (2) Changing the effective date to July 1, 2006; and
- (3) Replacing the blank appropriations with dollar amounts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3252, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3252, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Tsutsui, Fukunaga, Ihara, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Taniguchi).

Representatives Arakaki, Sonson, Lee, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 138 on S.B. No. 2570

The purpose of this measure is to:

- (1) Expand the scope of the motion picture and film production tax credit under section 235-17, Hawaii Revised Statutes to include digital media;
- (2) Increase the tax credit from four percent to:
 - (A) Fifteen percent for qualified production costs incurred in a county with a population over seven hundred thousand; and
 - (B) Twenty percent for qualified production costs incurred in a county with a population of seven hundred thousand or less;
- (3) Establish criteria that productions must meet to qualify for the tax credit;
- (4) Provide a maximum amount of \$8,000,000 per qualified productions for the tax credit; and
- (5) Repeal the tax credit on January 1, 2016.

Since 1992, the film industry has generated approximately \$160,000,000 in tax revenues for the State. However, there has been a dramatic increase in the number of states that are taking film productions away from Hawaii by offering more favorable incentives for motion picture, digital media, and film productions. Your Committee on Conference finds that increasing the tax credit for motion picture and film production will attract more film and television productions to Hawaii and will enable the State to compete more effectively against other jurisdictions with similar tax incentives.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2570, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2570, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Ige, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Karamatsu, Yamashita, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 139 on S.B. No. 3078

The purpose of this measure is to assist the Agribusiness Development Corporation to create the Hawaii agribusiness plan.

Your Committee on Conference finds that in order for Agribusiness Development Corporation to be effective, strategies and goals must be developed to guide its Board of Directors. Accordingly, this measure directs the Legislative Reference Bureau to conduct a study to identify elements that should be included in the Hawaii Agribusiness Plan and to report back prior to the 2007 regular session.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3078, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3078, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Espero, Taniguchi, English, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (English, Espero).

Representatives Chang, Tsuji, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 140 on S.B. No. 2997

The purpose of this measure is to provide exemptions from the Hawaii public procurement code for the Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, and High Technology Development Corporation, as well as to exempt purchases of services from contractors contracted by a legislative agency for the purpose of preparing a report to the Legislature.

Act 216, Session Laws of Hawaii 2004, repealed the procurement code exemptions for the Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, and High Technology Development Corporation. Your Committee finds that these entities need to have the administrative flexibility in a highly technical and volatile investment environment to enable them to make procurements in an efficient and expeditious manner.

Your Committee further finds that legislative agencies that contract for services to perform studies pursuant to an Act or concurrent resolution should similarly be exempt from the Hawaii public procurement code. These studies entail specialized area of knowledge, and there are usually a limited number of qualified contractors with the expertise to perform such studies.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2997, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2997, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Karamatsu, Yamashita, Marumoto.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Marumoto).

Conf. Com. Rep. No. 141 on S.B. No. 845

This measure makes revisions to the commercial driver licensing law to conform with provisions of federal law. The Federal Motor Carrier Safety Administration has reviewed Hawaii law to ensure consistency with federal law. This measure includes the changes recommended by the federal government.

Your Committee finds that failure to enact this measure may result in the loss of approximately \$4,900,000, or five percent of federal-aid highway funds, based upon fiscal year 2004, for the first year of non-compliance, and \$9,800,000, or ten percent, per year thereafter. Motor Carrier Safety Assistance Program grants may also be at risk as a result of noncompliance.

Your Committee has amended this measure by:

- (1) Clarifying the proper federal statute citation, as contained in the original version of the measure;
- (2) Deleting an erroneous statutory cross-reference; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 845, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 845, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Luke, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 142 on S.B. No. 1899

The purpose of this measure is to appropriate funds to:

- (1) Provide the scientific information to support the deregulation process which will allow the genetically engineered Hawaiian rainbow papaya to be introduced into the Japanese market; and
- (2) Initiate the development and implementation of a marketing plan to promote transgenic and non-transgenic Hawaiian papaya in Japan and in future markets, including China and the European Union.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$200,000 into the appropriation to provide the necessary scientific information and initiate the development and implementation of a marketing plan;
- (2) Making the appropriation specifically for fiscal year 2006-2007; and
- (3) Making it effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1899, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1899, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Chang, Tsuji, Pine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 143 on S.B. No. 2984

The purpose of this measure is to appropriate funds to the Kikala-Keokea housing revolving fund.

Your Committee on Conference finds that Act 314, Session Laws of Hawaii (SLH) 1991, as amended, authorized the Department of Land and Natural Resources to negotiate long-term leases with displaced families from Kalapana on ceded lands in the Kikala-Keokea homestead area. Act 314 was enacted to assist those displaced by the continuing lava flows from Kilauea, which began in 1983 and led to the eventual destruction of Kalapana in 1991.

Your Committee on Conference further finds that pursuant to Act 144, SLH 2001, the Legislature established the infrastructure development fund for the construction of infrastructure and the Kikala-Keokea housing revolving fund to provide low-interest loans to Kikala-Keokea lessees for residential construction. This measure appropriates funds to the Kikala-Keokea housing revolving fund to allow housing construction to begin.

Your Committee on Conference has amended this measure by inserting the amount of \$200,000 to fund its purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2984, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2984, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Kahikina, Nishimoto, Hale, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 144 on S.B. No. 2036

The purpose of this measure is to extend business and technology-based incubation services to foreign technology companies seeking to do business in the State by making an appropriation for the High Technology Development Corporation to establish an international business and technology incubator program in Hawaii.

Hawaii is an attractive alternative to other technology incubator programs on the mainland due to its closer proximity to Asia and the State's culturally diverse population. An international expansion of the incubator program is expected to create more business and technology-based jobs, economic diversity, and a new external source of tax revenues for the State. Your Committee on Conference finds that making an appropriation to the High Technology Development Corporation will provide the necessary start-up funding to operate international business and technology incubator programs.

Your Committee on Conference has amended this measure by:

- (1) Adding an appropriation amount of \$400,000;
- (2) Changing the effective date of this measure from July 1, 2020 to July 1, 2006; and
- (3) Making nonsubstantive, technical changes for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2036, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2036, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Espero, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

Representatives Karamatsu, Hale, Wakai, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 145 on S.B. No. 2753

The purpose of this measure is to appropriate funds for the continued operation and maintenance of the east Kauai irrigation system.

Your Committee on Conference finds that the east Kauai irrigation system provides water for a variety of purposes, including farmers in the Kapaa area, the Fern Grotto, a popular tourist destination, and the Wailua reservoir, which feeds water into public fishing areas, campgrounds, and an educational center for children. Despite user fees charged to system patrons, the system is in need of financial assistance. Accordingly, the measure provides the necessary funds to assist the East Kauai Water Users' Cooperative to operate and maintain the system.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Cooperative is faced with the problem of funding ongoing operations and maintenance of the system;
- (2) Inserting the amount of \$100,000 into the appropriation for the operation and maintenance of the east Kauai irrigation system; and
- (3) Making it effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2753, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2753, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hooser, Ige, Inouye, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hemmings).

Representatives Chang, Kanoho, Kawakami, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 146 on S.B. No. 2486

Your Committee on Conference finds that the Invasive Species Council is a very important agent in preventing, controlling, and eradicating invasive species in Hawaii, and the areas that are most affected by the invasive species are on the neighbor islands. This measure:

- (1) Repeals the sunset date for the Council, permanently placing it within the Department of Land and Natural Resources for administrative purposes only;
- (2) Increases the membership of the Council by adding eight legislative members to serve as ex officio, nonvoting members; and
- (3) Establishes quorum and voting requirements for the Council.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions that placed legislative members on the Invasive Species Council;
- (2) Requiring representatives from the Legislature to be asked to participate or consulted for advice and assistance.

These amendments were made at the suggestion of the Attorney General because he determined that having legislative members serving on the Council violated the separation of powers between the executive and legislative branches of government.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2486, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2486, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Inouye, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Abinsay, Morita, Tsuji, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Abinsay).

Conf. Com. Rep. No. 147 on S.B. No. 2879

The purpose of this measure is to make an appropriation to help defray the operational expenses of the Hawaii Civil Air Patrol.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations. The Civil Air Patrol also plays a vital role in disaster relief. Volunteer civil air patrol members fly disaster relief officials to remote locations and support local, state, and national disaster relief organizations with experienced pilots and personnel. The Civil Air Patrol also transports time-sensitive medical materials, blood products, and body tissue.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$60,000; and
- (2) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2879, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2879, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Ito, Chong, Tanaka, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 148 on S.B. No. 2575

The purpose of this Act is to appropriate moneys for the completion of a baseline environmental study of the Waianae coast ocean area.

Pursuant to Act 6, Special Session Laws of Hawaii 2005, the Legislature required the Department of Land and Natural Resources to prepare a baseline environmental study of the area from Kalaehoa point to Kaena point for the purpose of designating the boundaries of and adopting rules for an ocean recreation management area. However, the study was not completed due to a lack of funding.

Your Committee on Conference understands that the cumulative economic, environmental, social, and cultural impacts of the growing west Oahu population and visitor industry remain matters of great concern to the communities along the Waianae coast. This measure will enable the Department of Land and Natural Resources to complete the baseline environmental study.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$120,000 into the appropriation for the completion of the baseline environmental study; and
- (2) Making it effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2575, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2575, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Kanoho, Morita, Carroll, Shimabukuro, Meyer.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 149 on S.B. No. 2348

The purpose of this bill is to appropriate funds to prepare for a pandemic of a novel strain of influenza.

This bill will enable the Department of Health to prepare for an influenza pandemic by providing funding for medications, mass clinic supplies, laboratory supplies and equipment, personal protective equipment, and a data management system for tracking cases and contacts.

Your Committee on Conference amended this bill by:

- (1) Appropriating out of the general revenues the sum of \$6,318,618;
- (2) Appropriating out of the emergency and budget reserve fund the sum of \$5,000,000; and
- (3) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2348, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2348, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland, Tsutsui, Whalen.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Takamine, Green, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 150 on S.B. No. 1648

The purpose of this measure is to provide tuition assistance to qualifying children of certain emergency personnel and Hawaii veterans who are killed in the line of duty, and to certain military personnel who are absent from college for more than thirty days in a semester due to their military activities.

Your Committee on Conference has amended this measure by removing the language proposed by House Draft 1 of this measure, and inserting an amendment to section 304-4 of the Hawaii Revised Statutes, which would allow the University of Hawaii Board of Regents to waive the nonresident tuition and fee differential for members in good standing of the Hawaii National Guard and the Hawaii-based federal reserve components of the U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard, regardless of their actual state of residence.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1648, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1648, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hee, Taniguchi, Hooser, Hogue.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Hee).

Representatives Waters, Chong, Moses.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 151 on H.B. No. 1862

The purpose of this bill is to relieve the teacher shortage in Hawaii by allowing the Department of Education (DOE) to employ retired teachers and administrators full-time to teach in teacher shortage areas and to serve as mentors for new classroom teachers.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that:

- (A) Retired teachers may be employed to teach in teacher shortage areas identified by DOE and charter schools and to serve as mentors for new classroom teachers; and
- (B) Retired administrators may be employed to teach or administer in teacher shortage areas identified by DOE and charter schools and to serve as mentors for new classroom teachers;
- (2) Removing the provision that allows a retired teacher or administrator to be employed as a new teacher mentor immediately upon retirement;
- (3) Extending the bill's provisions to charter schools;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1862, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1862, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

Representatives Takumi, Caldwell, Nakasone, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Nakasone).

Conf. Com. Rep. No. 152 on H.B. No. 1891

The purpose of this bill is to increase the availability of funds for repair and maintenance projects at Hawaii's public schools by increasing the amount of funds to be deposited into the State Educational Facilities Improvement Special Fund (SEFI).

Your Committee on Conference has amended this bill by:

- (1) Allowing the sum from all general excise tax revenues realized by the State that represents the difference between \$90,000,000 and the proceeds from the sale of any general obligation bonds authorized for that fiscal year for the purposes of SEFI to be deposited in the state treasury in each fiscal year to the credit of SEFI;
- (2) Changing the effective date to July 1, 2006, with a repeal date of June 30, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1891, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1891, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Fukunaga, Hooser, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

Representatives Takumi, Nakasone, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 153 on H.B. No. 1800

The purpose of this bill is to address the issue of speculative real estate sales in Hawaii by increasing the income tax withheld on the sale of real property in Hawaii by a non-resident seller from five to 8.25 percent of the amount realized from the sale.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Kanno, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Tsutsui).

Representatives Herkes, Nishimoto, Yamashita.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 154 on H.B. No. 1923

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by extending to June 30, 2011, the sunset date of provisions that, among other things:

- (1) Grant HTA authority to retain attorneys independent of the Attorney General;
- (2) Exempt HTA's accounts from supervision by the Comptroller;
- (3) Require HTA to preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (4) Grant HTA the authority to hire a sports coordinator;
- (5) Establish that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the Tourism Special Fund (TSF); and
- (6) Specify that five percent of TSF monies may be used for administrative expenses.

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

- (1) Changing the sunset date from June 30, 2011, to June 30, 2010;
- (2) Making it effective upon approval; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1923, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1923, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Nishihara, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Chang, Luke, Yamashita, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 155 on H.B. No. 2669

The purpose of this bill is to assist the Convention Center in meeting its operational and maintenance expenses by increasing the ceiling on the amount of transient accommodations tax revenues to be deposited into the Convention Center Enterprise Special Fund per calendar year from \$31,000,000 to \$33,000,000.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2669, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2669, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Nishihara, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Chang, Yamashita, Stevens.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stevens).

Conf. Com. Rep. No. 156 on H.B. No. 2239

The purpose of this measure is to preserve affordable rental housing units in Hawaii by:

- (1) Directing the Hawaii Housing Finance and Development Administration (HHFDA) to initiate negotiations for the acquisition of Kukui Gardens;
- (2) Requiring all of the units to be retained in perpetuity as affordable housing for households at or below 120 percent of the median family income (MFI);
- (3) Appropriating funds for the acquisition; and
- (4) Requiring HHFDA to exercise its power of eminent domain to acquire Kukui Gardens if an agreement cannot be reached.

Your Committee has amended this bill by:

- (1) Authorizing HHFDA to initiate negotiations with Kukui Gardens Corporation's successor in interest, should the property be sold prior to negotiations;
- (2) Requiring HHFDA, as an alternative to the acquisition of the property, to make public financing resources available to extend affordable rents at Kukui Gardens through at least 2016;
- (3) Providing that in the event that affordable rents are extended, at least 50 percent of the rental units are retained at rents affordable to households whose incomes do not exceed 80 percent of the median family income, of which five percent of the units are set aside for persons whose incomes do not exceed 30 percent of MFI;
- (4) Requiring, in the event that HHFDA acquires Kukui Gardens, that 80 percent of the units be retained in perpetuity as affordable to households at or below 140 percent of MFI;
- (5) Appropriating \$200,000 for HHFDA to negotiate with the owner of Kukui Gardens to either extend the period of affordable rents to at least 2016, acquire Kukui Gardens, or commence the condemnation process;
- (6) Changing the effective date to July 1, 2006; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2239, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2239, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Kahikina, Nishimoto, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 157 on H.B. No. 2399

The purpose of this bill is to enhance ferry service among the islands of Maui County by affording preferential consideration for ferry landings, but not other commercial purposes, to all small boat facilities within Maui County.

Currently, only ferry service between the islands of Maui and Molokai is afforded preferential consideration for both ferry landings and other commercial purposes, including the issuance of commercial operating permits and the waiver of applicable fees. Your Committee on Conference finds that allowing preferential consideration to all small boat facilities within the County of Maui increases the possibility of expanding ferry service between all islands in Maui County.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2399, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2399, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Ige, Espero, Inouye, Trimble.
Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, 1 (Trimble).

Representatives Souki, Kanoho, Lee, Carroll, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 158 on H.B. No. 2075

The purpose of this bill is to support bicycling as an alternative mode of transportation by:

- (1) Earmarking at least two percent of federally allocated monies out of the State Highway Fund for the establishment of bikeways; and
- (2) Requiring the Department of Transportation (DOT) to involve the bicycling community in the planning of bikeways.

Although bicycling has long been a popular recreational activity in Hawaii, it is also fast becoming a preferred mode of transportation, especially in light of rising fuel costs. Bicycling also lessens traffic congestion, lowers the repair and maintenance costs of Hawaii's roadways, improves the overall air quality of our state, and promotes the health of our citizens.

Your Committee on Conference has amended this measure by:

- (1) Allocating a portion of the State Highway Fund for bikeways;
- (2) Requiring the Director of Transportation to allot and expend two percent of federally eligible monies in the State Highway Fund for bikeways;
- (3) Clarifying that the authority of the Director of Transportation to allot and expend two percent of federal monies for bikeways applies to federally eligible monies, rather than federally allocated monies, in the State Highway Fund;
- (4) Removing the requirement that DOT include the bicycling community in a public involvement process to determine when and where a bikeway should be established;
- (5) Changing the effective date from July 1, 2050, to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2075, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2075, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Souki, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 159 on H.B. No. 1880

The purpose of this bill is to protect Honolulu Harbor for maritime use by:

- (1) Removing Piers 1 and 2 of Honolulu Harbor from the Kakaako Community Development District; and
- (2) Granting jurisdiction and administrative authority over Piers 1 and 2, and the contiguous backup fast lands currently used for manifested cargo and passenger operations to the Department of Transportation (DOT), Harbors Division;
- (3) Granting jurisdiction and administrative authority over the area in the vicinity of Piers 1 and 2 currently being used as a Foreign Trade Zone to the Department of Business, Economic Development, and Tourism, Foreign Trade Zone Division;
- (4) Directing the Hawaii Community Development Authority to transfer the lands in question to the Department of Land and Natural Resources; and
- (5) Directing the Governor to set aside the areas:
 - (A) Presently containing the foreign-trade zone to the Department of Business, Economic Development, and Tourism; and
 - (B) Presently used as Pier 1 and Pier 2 and the backup foreign cargo container yard to DOT.

Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of its harbor system. As an island state, Hawaii relies on its harbors for the movement of cargo between islands and the rest of the world. Honolulu Harbor serves as the main lifeline of cargo and commerce for the State of Hawaii. Your Committee on Conference finds that cargo-shipping space in Honolulu Harbor is at a premium and that the area that encompasses Piers 1 and 2 is nearing its maximum cargo capacity. This is especially true since the area used for foreign cargo containers was already reduced with the development of the passenger cruise ship terminal as part of Pier 2. New harbor space needs to be found and present cargo space needs to be conserved.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1880, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Inouye, Taniguchi, Whalen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Lee, Stevens.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 160 on H.B. No. 2214

The purpose of this bill is to assist the motor vehicle rental industry by allowing either the lessor or the repair dealer to retain a record of the repair order in order for a lessor to be exempt from the rental motor vehicle surcharge tax.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2214, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2214, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Menor, Taniguchi, Tsutsui, Hogue.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Menor, Hogue).

Representatives Souki, Herkes, Lee, Stevens.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Herkes).

Conf. Com. Rep. No. 161 on H.B. No. 2637

The purpose of this bill is to assist airport vendors while enhancing the ambiance of Hawaii's airports by granting the Department of Transportation (DOT):

- (1) The flexibility to allow airport concessions to make improvements to their facilities; and
- (2) The authority to:
 - (A) Grant short-term extensions to concession leases or concession permits within specified parameters in exchange for improvements; and
 - (B) Modify and alter older leases and permits by changing relief terms to similar terms found in newer concession leases that provide emergency economic relief to concessions in case of disruptive economic events.

Your Committee on Conference finds that Hawaii's airports, as well as their concessions, are in need of repair and remodeling. However, statutory language and stringent accounting rules often make such projects difficult. Granting DOT the authority and flexibility to modify short-term leases and provide relief to a concession in return for improvements to the concession's premises would lead to meaningful investment by concessionaires and assist the State in meeting its airport modernization and improvement goals.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that DOT, in its sole discretion and authority, upon mutual agreement with a concession seeking to make improvements, may modify, alter, or amend the terms of concession leases and permits in exchange for improvements, including but not limited to locations, requirements, and obligations for concession leases or permits that did not receive rent relief after April 30, 2002, by way of negotiation or pursuant to Act 201, Session Laws of Hawaii 2004;

- (2) Specifying that any extension of a lease or permit shall be for a period not longer than 40 percent of the original term of the concession lease;
- (3) Deleting the provision that required that any extension of a lease or permit be for a period of time that is sufficient to allow the amortization of the cost of the improvements by the concession; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2637, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2637, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

Representatives Souki, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 162 on H.B. No. 2500

The purpose of this measure is to supplement the Judiciary Appropriations Act of 2005.

Specifically, your Committee on Conference provided an additional \$18,153,918 for the operating and capital improvement expenses of the Judiciary, increasing the Judiciary's total budget for fiscal year 2007 to \$149,431,158. This increase will enable the Judiciary to fulfill its mission of "administering justice in an impartial, efficient, and accessible manner in accordance with the law."

With respect to the administration of inmate probation programs, your Committee on Conference recognizes that inmates on probation, which include crystal methamphetamine users and domestic violence offenders, are increasingly failing to comply with the terms of traditional probation. The recidivism of these inmates has not only exacerbated the overcrowding problem in prisons, but has led to higher costs for the State as well.

To address this problem, your Committee on Conference has provided seven temporary positions and \$1,245,118 in general funds to expand the Probation Modification Project, which provides close supervision, treatment services, and immediate consequences for inmates violating probation. This pilot program has already shown very promising results and the funding provided will allow the Judiciary to expand the program to oversee 1,257 of the most high-risk offenders.

Your Committee on Conference also included in this measure additional funding for the following programs:

- (1) \$241,000 in general funds to provide additional guardians ad litem for children and attorney services for indigent parents in the Family Court of the First Circuit;
- (2) \$158,329 in general funds to help establish the Court Interpreter Certification Program;
- (3) \$145,178 in general funds for various drug courts in the Second Circuit;
- (4) \$60,000 in general funds for a purchase of service to continue operations of the Kauai Teen Court in the Fifth Circuit;
- (5) \$249,475 in general funds for Na Loio Immigrant Legal Services that was converted from a grant to a purchase of service;
- (6) \$325,000 in general funds for a purchase of service for Domestic Violence services;
- (7) \$649,000 in general funds for a grant for the Legal Aid Society of Hawaii;
- (8) \$200,000 in general funds for a grant for the Children's Alliance of Hawaii;
- (9) \$25,000 in general funds for a grant for the Hawaii Family Law Clinic; and
- (10) \$200,000 in general funds for a grant for the Hawaii Pro Bono Lawyer Referral Project.

In addition to the resources provided for the Judiciary's operating requirements, your Committee on Conference appropriated \$14,000,000 in capital improvement projects, including \$6,000,000 to purchase land for the Kapolei Judiciary Complex, and \$1,000,000 for various renovations, repairs, and improvements to Judiciary facilities statewide.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Kanno, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Luke, Takamine, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 163 on H.B. No. 1900

I. General Overview

Hawaii's economy is well and thriving. But, even with record revenue growth and a generous budget surplus, your Committee on Conference is mindful of the hardships other states endured as a result of the way their budget surpluses were handled. During the late 1990s, many states enjoyed an economic boom that provided unprecedented revenue streams. In response, these states both increased their spending as well as reduced their taxes. These actions created structural deficits in these states' budgets, and when recession hit the nation in 2001, these states were faced with making tough choices, which included raising taxes and cutting programs.

In Hawaii's own history, there is evidence to warn against structural deficits. In 1989, Governor Waihee proposed large spending increases in the budget while simultaneously offering a large tax rebate in addition to tax reductions. Once the economic boom topped out, however, Hawaii was left with tough choices for many years.

In light of these lessons, your Committee on Conference feels that a more prudent approach is warranted. To dramatically reduce taxes and implement new costly programs at the same time would ignore history's teachings. In this context, your Committee on Conference is proposing a responsible fiscal approach, which includes a modest increase in expenditures, with the majority of these being investments in our schools and infrastructure. Our emergency shelter infrastructure was also aided by the state surplus. In addition, while tax reform is important to the people of Hawaii, your Committee on Conference proposes that the State pursue a more controlled and targeted form of tax relief this year. While the tax relief endorsed by your Committee on Conference may not be to the level that others may wish to pursue, your Committee on Conference feels that it is wiser to institute a long-term sustainable tax relief plan to smooth economic peaks and valleys, rather than take a drastic short-term approach.

The Supplemental Operating Budget

Your Committee on Conference continues to make Hawaii's public schools its top budget priority and the centerpiece of this supplemental budget. Although funding has been increased for virtually all state departments, none approaches the level of funding afforded to the Department of Education (DOE). Your Committee on Conference has appropriated forty-seven per cent of the new general fund appropriations for fiscal year 2006-2007, or \$106,100,000 to the DOE for a total of \$1,900,000,000 in general funds for the fiscal biennium.

Your Committee on Conference has also remained dedicated to providing for the basic needs of our citizens with increases in general fund appropriations of \$39,900,000 for the Department of Human Services, \$26,300,000 for related programs at the University of Hawaii, \$19,500,000 for the Department of Health, and \$15,700,000 for the Department of Public Safety.

Overall, your Committee on Conference has recommended an increase of the Executive Supplemental Operating Budget general fund expenditures in fiscal year 2006-2007, from \$4,500,000,000 to \$4,700,000,000, an increase of \$221,500,000 or 4.9 per cent. For all means of financing, your Committee on Conference has proposed a total expenditure level of \$9,600,000,000 for fiscal year 2006-2007, virtually identical with what was requested by the Executive Branch. This ambitious financial package is based upon optimistic financial projections by the Council on Revenues, tempered by federal fiscal concerns, as well as careful comparisons and observations of fiscal and budgetary programs in other states and the Government Accounting and Standards Board.

Council on Revenues

At its March 6, 2006, meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2006-2007 and beyond. The growth rate for the current fiscal year was set at 9.5 per cent, an increase from the 8.0 per cent projected at their December 16, 2005, meeting. This 1.5 per cent increase represents an additional \$50,000,000 in general funds. The Council on Revenues also revised their growth rate in fiscal year 2006-2007, to 6.5 per cent, 1.0 per cent lower than their earlier prediction of 7.5 per cent. This adjustment accounts for anomalies such as one-time court settlements and higher than anticipated delinquent tax collections that may plateau or decline.

II. Budget Program Highlights

Public Education

Education remains the State's top priority, and providing the necessary tools to educate Hawaii's children has been the focal point for the 2006 legislative session. To this end, your Committee on Conference reaffirms its support for Hawaii's public school system by crafting a supplemental budget that reflects the priorities of both the Board of Education and the Department of Education (DOE).

To address the physical needs of our schools, your Committee on Conference is providing \$15,000,000 in general funds in this supplemental budget. Your Committee on Conference also notes that additional appropriations for the repair and maintenance of our public schools totaling \$195,000,000 in general funds exist in Senate Bill No. 2956, S.D. 2, H.D. 2, C.D. 1. The use of cash as opposed to bonds for these projects is important to note for two reasons. The first is that the funding is available at the start of the fiscal year, rather than having to wait for bonds to be issued and for state officials to make that money available to the DOE. Fixing our schools can begin on the first day of the new fiscal year. The other important result from using cash and not bonds is the lack of debt service payments. The State is enjoying a cash surplus now. This one-time use of state funds to fix our schools will not saddle future generations with debt.

Your Committee on Conference believes that investing in our schools' infrastructure will provide Hawaii's 183,000 public school students with the necessary resources to effectuate positive changes in their education.

With regard to the operational budget for the DOE, the Board of Education approved the DOE's Executive Supplemental Budget requests of \$105,000,000 in general funds for fiscal year 2006-2007 to address many important areas in the public school system. The budget was subsequently revised downward by the Executive Branch to \$82,500,000, creating a shortfall of \$22,500,000 in general funds for the DOE.

Due to an improved budgetary projection, your Committee on Conference was able to mitigate the shortfalls created by the Executive Branch with an additional \$24,500,000 in general funds (totaling \$107,000,000 in operating funds) to further support students by providing them with the necessary resources for higher achievement. In doing so, your Committee on Conference provided:

- \$2,000,000 for additional science textbooks and other science learning materials;
- \$175,000 for Preliminary Standards Achievement Testing or PSAT for all tenth graders;
- \$500,000 for Advanced Placement teacher training, classroom materials, and test costs; and
- \$1,100,000 for the English as a Second Language Learners program.

Another top issue for your Committee on Conference with respect to education was the Reinventing Education Act of 2004. This Act included various mandates that required the DOE to:

- Devise a new budget allocation system using the weighted student formula;
- Convert from a traditional ten-month public school calendar to a single twelve-month statewide calendar;
- Transfer responsibilities from other state agencies to the DOE; and
- Upgrade the technology infrastructure to support a data-driven public education system.

Your Committee on Conference believes that carrying out these mandates is essential and has appropriated \$20,000,000 in general funds to assist schools in transitioning to the use of the weighted student formula by providing these additional funds directly to schools that will provide a foundation funding (a uniform amount to each school depending on school level). This foundation funding amount will prevent any school from losing funds for school year 2006-2007 and will, in fact, provide additional funds to every school. It is important to remember that a major premise of Act 51 was to have funding decisions made by the school principal working with the school community councils. The funding approach in this budget supports that premise and does not prescribe the funding for specific types of positions.

Furthermore, your Committee on Conference provided \$24,300,000 in general funds for a one-time salary payment adjustment for ten-month employees to convert from a traditional calendar to a single school calendar. Your Committee on Conference also provided \$1,500,000 in general funds for the transfer of responsibilities from the Department of Accounting and General Services and the Department of Human Resources Development to the DOE. Finally, your Committee on Conference provided \$5,000,000 in general funds for technology infrastructure in the areas of human resources, student information, and network and data processing.

Student support services also received additional funding due to increasing enrollment projections and the rising costs in providing these needed services. To ensure that the services are sustained, your Committee on Conference provided additional funding as follows:

- \$1,600,000 for Special Education teachers;
- \$1,700,000 for Occupational Therapy services;
- \$653,186 for Physical Therapy services;
- \$3,700,000 for Speech-Language Pathologist services;

- \$430,000 for skilled nursing services for the medically fragile;
- \$1,700,000 for School-Based Behavioral Health services;
- \$6,900,000 for services for students with Autism Spectrum Disorders; and
- \$275,770 for students serviced in the Comprehensive School Alienation Program.

In addition, your Committee on Conference provided \$13,100,000 in general funds to address the rising cost of electricity and \$9,400,000 in general funds to address shortfalls in student transportation costs.

With the previously mentioned budget surplus available, your Committee on Conference strived to ensure that the surplus was spent wisely by investing in our schools and our infrastructure.

Higher Education

Using recommendations from the Higher Education subject matter committee chairs, your Committee on Conference provided the University of Hawaii (UH) with the flexibility to use Tuition and Fee Special Fund revenues to offset part of their costs. UH is predicting increased revenues from their tuition and fees in excess of \$24,000,000. To aid the UH system in its goal of continuing autonomy, your Committee on Conference has appropriated \$10,000,000 of this increase to defray costs. In addition to providing UH with the flexibility to utilize special fund moneys for operational purposes, your Committee on Conference provided \$26,300,000 in general funds for operational costs.

Your Committee on Conference recognizes that UH is the State's only public institution for higher learning. One of the missions of UH is to serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment. As Hawaii's labor market continues to prosper, UH will be called upon to educate and prepare students to meet workforce demands. To address these issues, your Committee on Conference approved \$8,700,000 in general funds for various workforce development programs.

The healthcare professional shortage affecting Hawaii raises concerns regarding the State's ability to provide quality medical care in a timely manner. Your Committee on Conference acknowledged these concerns and provided twenty permanent positions and \$945,071 in general funds for nursing and dental hygiene programs statewide to produce healthcare professionals who will address the medical needs of Hawaii. Your Committee on Conference also approved three permanent positions and \$463,306 in special funds for the Hawaii State Center for Nursing to monitor issues that affect Hawaii's nurses.

Hawaii's construction industry has seen major growth in recent years. Numerous projects have been undertaken, while many more projects remain dormant due to a lack of skilled laborers. Your Committee on Conference understands the concerns of the construction industry and provided forty-six permanent positions and \$5,400,000 in general funds to create a Statewide Construction Academy that will address the shortage of skilled laborers by providing students with essential job skills for the construction industry.

Your Committee on Conference also approved twelve permanent positions and \$1,400,000 in general funds to establish a School of Pharmacy at the UH-Hilo campus. Producing locally educated pharmacists will provide excellent career opportunities for students, address Hawaii's need for pharmacists, and provide improved healthcare for Hawaii's residents.

Rapidly developing technologies play an important role in all operations at major academic institutions. In keeping with the vision of creating a world-class institution of higher learning, UH must take advantage of the latest technology and develop its own technological systems to enhance the productivity of its students and faculty. Your Committee on Conference acknowledged the need to utilize technology and provided seventeen permanent information technology positions and \$863,980 in general funds and \$36,000 in special funds to support system-wide projects. Your Committee on Conference further approved the conversion of thirty-eight temporary information technology positions to permanent status to improve the productivity of UH's students and faculty.

Providing quality student services is an essential part of creating a productive academic environment. Your Committee on Conference understands the importance of accessible student services and approved forty-one permanent positions and \$1,500,000 in general funds and \$93,753 in special funds to increase financial aid services, disability services, and various other necessary student services offered system-wide. Your Committee on Conference also approved an additional \$2,000,000 in special funds for the B Plus program, which provides tuition for low and middle-income students who attend UH's community colleges.

In addition to devoting resources to improve UH's workforce development programs, technological support, and student services, your Committee on Conference also provided an additional \$95,100,000 for capital improvements system-wide. This included \$30,000,000 for capital renewal and deferred maintenance and \$7,469,000 for health, safety, and building code compliance requirements.

Defense

The efforts of all members of our armed forces are greatly appreciated as they defend our freedom and liberties. The sacrifices they make for our nation serve as examples of selflessness and true patriotism. According to a recent United States Pentagon survey, more than one-third of the United States soldiers returning from the war in the Middle East received psychological counseling soon thereafter. With the anticipated return of 2,920 troops from the war, the state Department of Defense will be unable to fully meet its obligation of offering comprehensive services to Hawaii's veterans on a timely basis. To address this concern, your Committee on Conference provided \$39,648 in general funds to hire an additional counselor who will serve veterans across the State.

Your Committee on Conference also finds that the importance of homeland security and disaster preparedness has become magnified due to recent events abroad and locally. To address this issue, your Committee on Conference provided \$4,000,000 to retrofit public buildings with hurricane protective measures and raised the federal funding ceiling by \$50,000,000 to support Hawaii's homeland security and disaster preparedness requirements in the event of a manmade or natural disaster.

Health

Your Committee on Conference remains fully committed to ensuring that essential health related services remain as a top legislative priority. This commitment is affirmed by providing continued support to those most in need of health services. The health related appropriations made by your Committee on Conference ensure appropriate services for high-priority health programs in the State.

With regard to maintaining the health and safety of the public, your Committee on Conference provided funds to meet the statewide needs of the Emergency Medical Services' ambulance services. Your Committee on Conference provided \$8,600,000 in general funds and \$1,600,000 in special funds to continue the improvements for the Emergency Medical Services and its contracting agencies on the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai. This level of funding not only ensures that the Emergency Medical Services' operational needs are met, but more importantly, it ensures that the infrastructure support is provided for by appropriating the necessary funding to purchase replacement ambulances and additional medical equipment and supplies.

Your Committee on Conference continues to provide full support for the State's mentally ill population and has provided the Department of Health's Adult Mental Health Division with full funding totaling \$7,700,000 in special funds for fiscal year 2006-2007. These funds will provide for community-based contract services and for central services and administrative cost assessments. In addition, your Committee on Conference provided \$578,144 in general funds for the Hawaii State Hospital to cover the increasing costs of pharmaceutical drugs. Your Committee on Conference also provided \$60,000 in general funds for an overhead paging system to allow a tie-in between the Guensberg and Cooke buildings with the rest of the Hawaii State Hospital, which should allow for a single paging system throughout the Hawaii State Hospital.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community-based Waiver Services, your Committee on Conference fully funded the Developmental Disabilities Division by providing an additional \$5,000,000 in general funds to meet the state matching requirements under the federal Title XIX (Home and Community-based Waiver Services). Your Committee on Conference also provided \$51,500,000 in interdepartmental transfer funds to establish the ceiling for the Medicaid Home and Community-based Waiver Services Program to allow the Title XIX program to collect federal funds received as reimbursements. Further, your Committee on Conference provided \$169,000 in general funds for on-going maintenance and grounds support for the Waimano facility.

Your Committee on Conference commends the Hawaii Health Systems Corporation for its continued collaboration with the Department of Human Services. Their work resulted in the final approval from the Centers of Medicare and Medicaid Services, to allow the State to draw down up to \$15,000,000 in federal funds under the federal Medicaid 1115 Waiver Program (Hawaii QUEST Demonstration Project) to reimburse Hawaii's hospitals for uncompensated care. Your Committee on Conference also provided an additional \$1,500,000 in general funds to fund primary care services for the uninsured throughout the State.

Your Committee on Conference expresses concern over the proposed retooling of the Healthy Start Program within the Family Health Services Division. During the last legislative session, your Committee on Conference included a budget proviso containing specific directives to assist the Healthy Start Program in retooling its delivery of services, which appeared to be outdated and in dire need of change. However, your Committee on Conference found that, rather than retooling the Healthy Start Program, only minor, superficial changes were made to the program. Specifically, service providers were asked, for example, to cut expenditures by withholding billing services. This effort by the Healthy Start Program appears to be a short-term solution and only serves to frustrate the providers. To this end, your Committee on Conference has included another budget proviso in this supplemental budget requesting that the Healthy Start Program focus its efforts on reevaluating, from the ground up, its entire program, with a focus on revamping its current delivery of services.

Your Committee on Conference also supported the Deposit Beverage Container Program attached to the Department of Health's Solid and Hazardous Waste Branch by converting the six temporary special-funded positions to permanent status. Your Committee on Conference also established four new special-funded permanent positions to provide the Deposit Beverage Container Program with adequate support to improve the overall effectiveness of the program as well as to safeguard against fraud. Your Committee on Conference affirmed its support of the Wastewater Branch by providing \$38,000,000 to the Water Pollution Control Revolving Fund to allow the program to process its loans without delays or interruptions, as required by Title VI of the Water Quality Act of 1987. Your Committee on Conference also provided the Safe Drinking Water Branch with \$28,700,000 for the Drinking Water Treatment Revolving Fund. The ceiling increase will also allow funds to be made available to the counties for the upgrading of their water systems.

Human Services

Your Committee on Conference recognizes the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves.

Your Committee on Conference finds that a sign of the strength of Hawaii's economy is the Federal Medical Assistance Percentage rate, which annually compares the State's average per capita income with the national average income and adjusts the federal reimbursement rate accordingly. States with a higher per capita income receive a lower reimbursement. In the upcoming fiscal year, the rate for Hawaii will decrease from 58.81 per cent to 57.55 per cent, resulting in a loss of \$6,900,000 in federal funds for the State.

As such, your Committee on Conference has provided \$6,800,000 in general funds for fiscal year 2006-2007 to cover this decrease in funding.

Your Committee on Conference also finds that, despite the growth of Hawaii's economy, the number of individuals who lack adequate medical coverage has increased. In particular, the QUEST program has seen a dramatic increase in enrollment with its actual 2006 enrollment exceeding its budgeted projections. One reason for this spike in enrollment is an increase in the number of persons from countries subject to a Compact of Free Association who have come to Hawaii seeking medical treatment. The Department of Human Services projects a 29.6 per cent increase in QUEST expenditures over the budgeted base amount for these clients for fiscal year 2006-2007 and expects the increase in enrollment to continue. Recognizing the seriousness of this problem, your Committee on Conference has provided \$10,000,000 in general funds to cover the higher than expected enrollment rate for QUEST and \$7,000,000 in general funds for a one-time payment of the current Medicaid carry-over debt.

Your Committee on Conference is concerned with the State's Temporary Assistance for Needy Families (TANF) program. These concerns stem from changes made by the federal government as well as the Administration's implementation of the TANF program. Recent changes by the federal government will establish more stringent qualifications on the work participation requirements of the TANF program. In addition, states will be required to comply with these new qualifications by October 1, 2006. The Congressional Budget Office estimates that this will cost states approximately \$3,200,000,000.

In addition to the external pressure of the impending federal changes, the local administration of the State's TANF program also lacks accountability. In Auditor's Report 06-02, the State Auditor found that:

[T]he department's decision-making is guided by the availability of federal funding rather than a comprehensive plan and coherent strategies.

In an effort to curtail the spending of taxpayer dollars without plans, strategies, or measures of effectiveness, both the House and Senate did not fully concur with the Department of Human Services's request to increase funding by \$35,000,000. Instead, an increase of approximately \$10,000,000 was included in both drafts.

When the amounts for TANF programs were revealed in the House and Senate drafts of the budget, the Department of Human Services issued memorandums indicating that it was going to cut funding to providers. Your Committee on Conference is puzzled as to why the Department of Human Services would cut funding when both the House and Senate versions of the budget contained an additional \$10,000,000 for the Department of Human Services. After lengthy discussions with providers, your Committee on Conference has decided to provide a temporary increase in federal TANF expenditures. This increase will mean that, in addition to the \$70,000,000 in general funds spent on TANF programs every year, over \$131,000,000 in federal funds will be provided in fiscal year 2006-2007.

However, your Committee on Conference cautions that this sum of money will not be available indefinitely. Assuming that Hawaii avoids penalties, the federal government provides \$98,000,000 a year in federal TANF funding. The State is able to spend more than its annual allotment because it currently has a reserve of approximately \$113,000,000, as of October 2005. By spending more than the \$98,000,000 that Hawaii receives every year from the federal government, the TANF program is eating into its reserve. Fiscal prudence dictates that spending from the reserve should be closely monitored before it disappears.

Your Committee on Conference urges the Department of Human Services and all TANF service providers to consider the dwindling reserve as well as the changes to the program on the federal level. Drastic changes will need to be made to the State's TANF program, and those changes will have to occur sooner rather than later. The federal government is mandating that all states shift their focus toward work participation to move the population from welfare assistance recipients to gainfully employed members of society. The level of TANF spending provided for in the Conference Draft of the budget is intended to be one-time only, to aid the Department of Human Services and providers in transitioning to the new federal requirements, as well as to wean them from spending TANF reserve funds.

Finally, in February of 2006, a settlement was reached with the United States Department of Justice regarding the Hawaii Youth Correctional Facility. The State entered into a Memorandum of Agreement to address the key issues related to the facility, such as more comprehensive training for youth correctional officers and improved access to medical and mental health care for youth in the facility. Recognizing the time-sensitive nature of this issue, your Committee on Conference provided \$4,100,000 in general funds for fiscal year 2006-2007 for additional personnel, equipment, and other current expenses necessary for compliance with the Memorandum of Agreement.

With respect to affordable housing, your Committee on Conference finds that, in this current economic boom, it has become increasingly difficult for the homeless to find permanent housing. Although your Committee on Conference did not provide the \$20,000,000 requested by the Governor and present in both the House and Senate drafts of the budget to address services and transitional housing for the homeless in the supplemental budget, your Committee on Conference notes that these appropriations are present in House Bill No. 2176, H.D. 2, S.D. 2, C.D. 1.

Land and Natural Resources

Over the past few fiscal bienniums, the Department of Land and Natural Resources (DLNR) has seen a decline in funding due in large part to scarce state revenues. As the State focused its meager resources on the most critical of services, DLNR proceeded as best as it could under the circumstances. To rectify this situation, your Committee on Conference provided a department-wide total of 36.50 permanent and 36.50 temporary positions and providing \$3,300,000 in general, special, and federal funds.

Your Committee on Conference also finds that, with a more stable source of funding provided by the Legacy Lands Act, DLNR has additional leverage to act upon opportunities to acquire interests or rights in land having value as a resource to the State. To this end, your Committee on Conference provided \$4,000,000 in special funds. Your Committee on Conference, however, also wants to ensure transparency in the process of acquiring lands and recommends support for Senate Bill No. 3077, in conjunction with the increase in the spending ceiling for the Land Conservation Fund. Senate Bill No. 3077 proposes to create a Legacy Land Conservation Commission to assist the Department and the Board of Land and Natural Resources in administering the Land Conservation Fund.

Your Committee on Conference finds that illegal activities, including drug activities, vandalism, drinking, and theft at various state parks and small boat harbors strains DLNR's already limited human resources. Although security is needed at these facilities, your Committee on Conference finds that earlier proposals to contract with private security services to prevent these kinds of illicit activities may not be as effective as hiring an actual Division of Conservation and Resources Enforcement (DOCARE) Officer. In light of this, your Committee on Conference authorized the hiring of eleven additional enforcement officers statewide and \$389,664 in general funds in lieu of funding private security contracts. In addition, your Committee on Conference provided \$91,680 in general funds for two positions for the Conservation and Resources Enforcement Division to collect and retrieve data and information that are critical to enforcement functions. Furthermore, your Committee on Conference provided:

- \$88,000 in general funds for eight all-terrain vehicles to increase the Conservation and Resources Enforcement Division's ability to patrol difficult-to-reach areas in state parks;
- \$155,000 in general funds for repair and maintenance, fuel, and supplies for patrol boats; and
- \$70,000 in general funds for survey materials, services for measures of effectiveness, planning, and studies to improve the division's functions.

In order to help DOCARE improve its performance through better management and strategic use of resources, your Committee on Conference has provided funds to develop strategic plans at the island branch level involving all DOCARE employees, consider the enforcement needs of all divisions, and integrate the assistance of other agencies. In addition to eleven new conservation officers, your Committee on Conference expects to see DOCARE demonstrate implementation of the recommendations made by State Auditor in Auditor's Report 06-01 with measurable improvements in performance.

Your Committee on Conference finds that Hawaii's rich cultural resources and unique ecosystems are constantly besieged by invasive species, wildfires, soil erosion, predatory and feral animals, and public overuse. To prevent the further degradation of the State's fragile environment, your Committee on Conference provided full funding for one permanent and twenty temporary positions and \$4,700,000 in special funds for this purpose.

Coqui frog infestations on the Big Island have grown to five thousand acres, and the community has requested assistance to support volunteer efforts to rid the island of these disruptive pests. Infestations are under control on Maui (one hundred fifty acres), Oahu (fourteen acres), and Kauai (fifteen acres), where complete eradication is now the target. Without significantly reducing Big Island infestations, however, reinfestations of the other island and future restrictions on Hawaii's agricultural exports are likely. Your Committee on Conference has approved \$2,000,000 for statewide control and eradication, with the focus on the Big Island. In addition to the intrinsic benefits of controlling coqui frogs, this partnership between government, community, and business entities will develop models for cooperative efforts against future invasive species infestations.

Agriculture

Controlling and eradicating invasive species after infestation is time-consuming and much more costly than prevention. The federal government employs an inspection staff of four hundred fifty to examine goods shipped from Hawaii to the mainland. In contrast, Hawaii's Department of Agriculture (DOA) only employs seventy-five inspectors to protect Hawaii from invasive species that may arrive via domestic and foreign imports. Based on recent experimental risk assessments at Kahului and Honolulu airports, the DOA currently detects only one out of every one hundred invasive species that would be detected with strategic use of additional resources. The potential harm to Hawaii ranges in the hundreds of millions of dollars if species such as the red imported fire ant, brown tree snake, or biting midges are allowed into our State.

Based on clear scientific evidence collected by the DOA and its track record of successfully partnering with other entities, your Committee on Conference has approved a total of \$2,953,412 to hire an additional fifty-eight inspection positions. The department's Hawaii biosecurity plan envisions building an adequately staffed joint state/federal inspection facility to intercept more invasive species at airports and harbors and to rapidly respond if infestations occur.

Public Safety

In 2005, the United States Department of Justice evaluated the mental health services at Oahu Community Correctional Center. Although the report's findings are not yet public, your Committee on Conference believes that it would be prudent to take a proactive approach and address concerns reported in the evaluator's exit interviews. To this end, your Committee on Conference provided a total of twenty-six permanent positions and \$1,500,000 in general funds to ensure that inmates suffering from mental illnesses receive appropriate mental health treatment.

The overcrowded and deteriorated condition of the State's correctional facilities continues to be an important issue for your Committee on Conference. In order to help alleviate this situation, your Committee on Conference employed both temporary and long-term strategies. To address the immediate situation, your Committee on Conference provided an additional \$11,700,000 million in general funds for fiscal year 2006-2007 to send six hundred seventy-six additional inmates to the mainland, including two hundred fifty inmates who will be temporarily displaced during fire safety equipment repairs at Halawa Correctional Facility. In order to

address the long-term physical condition of the State's existing correctional facilities, your Committee on Conference provided \$38,985,000 for various capital improvements to enable the Department of Public Safety to proceed with projects that will directly affect the health and safety of inmates and staff.

Your Committee on Conference strongly believes that housing inmates on the mainland should be undertaken only as a short-term solution and urges the Executive Branch to develop a plan that provides for the in-state incarceration of all inmates convicted and sentenced to imprisonment as soon as possible. In the meantime, 1,829 inmates are currently housed in mainland facilities, and the State anticipates sending more inmates in the next fiscal year. Accordingly, your Committee on Conference feels an obligation to ensure that the terms of our prison contracts are upheld and enforced and that prisoners receive appropriate treatment. As such, your Committee on Conference authorized ten positions to monitor all contracts and provide case management for all Hawaii inmates situated on the mainland.

Business, Economic Development, and Tourism

Your Committee on Conference provided \$182,322 in special funds for two temporary positions for the Aloha Tower Development Corporation in order to work with the Department of Transportation on the Hawaii Harbors Task Force Project. However, these positions and funds are intended to be provided for fiscal year 2006-2007 only.

With respect to the Hawaii Convention Center, your Committee on Conference provided \$1,000,000 in general funds and \$2,000,000 in special funds in order to address much-needed repair and maintenance concerns. Your Committee on Conference further understands the importance of tourism for the State and has provided \$250,000 in special funds for the Department of Business, Economic Development, and Tourism's Economic Planning and Research Program to conduct visitor surveys that provide the State with vital information on visitor statistics.

Budget and Finance

As a result of the June 2005 merger between PeopleSoft and Oracle, the Employer-Union Trust Fund was left without technical support for its current PeopleSoft operating software. Your Committee on Conference appreciates the need for continued maintenance and support of the current operating system of the Employer-Union Trust Fund. However, your Committee on Conference feels that providing funds solely for the purpose of maintenance and support of the system would only provide a temporary solution to this problem. Thus, to provide a more permanent and long-term solution to this problem, your Committee on Conference has provided \$1,250,000 in trust funds for fiscal year 2006-2007. The funds will provide for continued upkeep of the current system as well as allow the Employer-Union Trust Fund to seek out alternative operating systems.

Your Committee on Conference finds that, over the past five years, the number of cases handled by the Office of the Public Defender has increased statewide. This workload increase has caused many problems, including understaffing at the Office's Kona Branch on the island of Hawaii. Your Committee on Conference strongly believes in providing legal services to the citizens of Hawaii and has authorized an additional Deputy Public Defender position and provided \$92,152 in general funds for fiscal year 2006-2007 for this purpose. Your Committee on Conference also allocated \$3,000,000 in general funds to provide funds to pay for the increased cost of attorney fees for court appointed counsel as mandated by Act 86, Session Laws of Hawaii 2005.

Transportation

In the aftermath of the September 11, 2001, attacks, the United States Transportation and Security Administration and the Federal Aviation Authority have implemented stringent federal laws that placed additional requirements on state airports nationwide. These federal requirements have resulted in funding shortfalls for security services at airports across the State for fiscal year 2006-2007. Although your Committee on Conference provided the Department of Transportation (DOT) with its request of \$6,800,000 in special funds for security services, your Committee on Conference is concerned with the transfer of this responsibility from the federal to state governments, especially under threat of federal sanctions. Your Committee on Conference believes that the federal government must shoulder the bulk of the cost for federally mandated security measures that are beyond the State's ability to maintain on a long-term basis.

Your Committee on Conference also provided \$6,000,000 in special funds as an interim measure to replace the Wiki-Wiki buses at the Honolulu International Airport. Your Committee on Conference agreed that it would be more cost-effective to replace the entire bus fleet, given the lack of bus parts and the high cost of overhauling the existing decade-old fleet.

Your Committee on Conference finds that the Highways Division of the DOT is undertaking a significant endeavor with its proposed implementation of a new financial management system. Eighty per cent of the funding for the system will be provided by the federal government, while the DOT assumes the remaining twenty per cent cost. Your Committee on Conference supports the Department of Transportation's efforts to strengthen its accountability over public funds and has provided \$1,900,000 in special and federal funds for Phase II of the project.

In addition, the latest surge in fuel costs, coupled with increased consumption, resulted in shortfalls in electricity costs for the DOT. Your Committee on Conference provided \$3,000,000 in special funds to address the funding shortfall in electricity for airports and harbors statewide. Your Committee on Conference also provided \$7,500,000 in federal funds for facility improvements to the ferry commuter system on Maui.

Your Committee on Conference notes that the federal funding increase that the Executive Branch requested for the statewide commuter Van Pool program may not be feasible over the long run. The program was initiated with the intent of eventually transferring it to the counties, but the counties appear unwilling to assume that responsibility, citing other higher transit priorities.

Although your Committee on Conference provided \$290,000 in federal funds for the program, your Committee on Conference urges caution and suggests reviewing this issue in the upcoming fiscal biennium.

Finally, your Committee on Conference agreed to the Executive Branch's request of \$5,000,000 in federal funds for non-urban public transportation systems in the counties of Hawaii, Maui, and Kauai.

Federal Reserve

Although the Council on Revenue's future outlook for the State's economy is promising, your Committee on Conference cannot ignore the possibility of fiscal uncertainties, such as looming inflationary pressures, the topping out of the housing market, or increases in energy prices, impacting our economy. On February 15, 2006, Mr. Ben S. Bernanke, Chairman of the Board of Governors of the Federal Reserve, touched upon each of these potential problems, in his *Semiannual Monetary Policy Report to the Congress*. Selected excerpts follow:

Inflation

[T]o an extent greater than we now anticipate, higher energy prices may pass through into the prices of non-energy goods and services or have a persistent effect on inflation expectations.

Housing Market

Given the substantial gains in house prices and the high levels of home construction activity over the past several years, prices and construction could decelerate more rapidly than currently seems likely. Slower growth in home equity, in turn, might lead households to boost their saving and trim their spending relative to current income by more than is now anticipated.

Energy Prices

The possibility of significant further increases in energy prices represents an additional risk to the economy; besides affecting inflation, such increases might also hurt consumer confidence and thereby reduce spending on non-energy goods and services.

Your Committee on Conference has found translating the Federal Reserve's observations into operational decisions both challenging and daunting. This exercise, however, is critical to fashioning a budget that is responsible and cognizant of federal fiscal policies that ultimately influence the State's budgetary programs.

Unfunded Federal Mandates

In addition to the potential slowing of the economy, your Committee on Conference has been mindful of the efforts of President Bush and the Congress of the United States with respect to the federal deficit. As of this writing, the federal deficit is approximately \$371,000,000,000 for fiscal year 2006-2007, and \$335,000,000,000 for fiscal year 2007-2008, according to the non-partisan Congressional Budget Office. Your Committee on Conference recognizes that the deficit may lead to additional cost shifts, including more unfunded mandates for the states.

According to the National Conference of State Legislatures' February 10, 2006, edition of the *Mandate Monitor*, the United States Congress introduced approximately two hundred fifty bills that shift costs to the states, of which sixteen were enacted. Your Committee on Conference anticipates continued cost shifts in education, homeland security, and the Temporary Assistance for Needy Families program. The following are examples of some of these underfunded programs and issues:

- The Individuals with Disabilities Act continues to be underfunded by approximately \$4,000,000,000;
- No Child Left Behind mandates continue to be underfunded;
- The REAL ID Act, a law requiring the Department of Homeland Security to establish standards for state issued driver's licenses and identification cards, contains several intergovernmental mandates. The cost to implement this Act is approximately \$100,000,000 over five years;
- The Deficit Reduction Act cut approximately \$39,000,000,000 from various entitlement and mandatory programs; and
- The Temporary Assistance to Needy Families block grant remains unchanged; however most states will face financial penalties because of changes to work participation requirements.

In addition, there are also a number of federal bills that propose to withhold federal funds from the states if they do not comply with the new requirements for eminent domain, sex offender, and bioterrorism legislation.

The Government Accounting and Standards Board's Statement 45

Another potential cost for all states is the Government Accounting and Standards Board's Statement 45. The Board was organized in 1984 as an operating entity of the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities, and its standards guide the preparation of external financial reports of those entities.

Statement 45 requires all government entities to provide future cost reporting and accounting regarding financial obligations that governments incur when they provide post-employment benefits other than pensions as part of the total compensation for services. Primarily, Statement 45 requires governments to estimate the eventual total costs for providing retiree health insurance benefits on an accrual, rather than a "pay as you go", basis beginning in fiscal year 2007-2008. As a very general example:

Assume that the average employee retires at age 65 and has a 20-year life expectancy. Assume the cost of a family plan for a couple on Medicare is \$10,000 per year. A state will pay and must accrue \$200,000 for that retiree's family plan. If there are 44,000 employees and retirees over that twenty-year span, the liability to that state would be \$8,800,000,000. In Hawaii, the Executive Budget has over 44,000 full-time equivalent employees.

Though Statement 45 will help the states to identify relevant costs and prepare future budgets accordingly, its fiscal impact is expected to be enormous.

III. Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee on Conference recognizes that there may be substantial future costs to the State and has therefore taken a very prudent approach to appropriating financial resources.

Toward this end, your Committee on Conference has studied and learned from the fiscal crises of the past, but looks to the future with optimism, knowing the resources provided in this supplemental budget will be administered fairly and expeditiously by the Executive Branch. While refraining from expending available revenues in a manner that would promote a false ideal of a government that is all things to all people, your Committee on Conference is confident that this supplemental budget will address the needs of the State and provide for the health, safety, and welfare of all its people.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1900, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1900, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 14. Noes, 1 (Trimble). Excused, none.

Representatives Takamine, Carroll, Chong, Evans, Kawakami, Lee, Magaoay, Nakasone, Nishimoto, Tanaka, Tsuji, Wakai, Yamane, Yamashita, Meyer, Moses, Pine, Stevens.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, 1 (Tsuji).

Conf. Com. Rep. No. 164 on H.B. No. 1280

The purpose of this bill is to require the Center for Conservation Research and Training of the University of Hawaii (Center) to develop and coordinate implementation of watershed management strategies for flood control for at least two of Hawaii's most severely flood-impacted watersheds.

Your Committee on Conference has amended this bill by:

- (1) Combining the development and coordination of the implementation of watershed management strategies and measures for flood control into a single phase;
- (2) Changing the appropriation amount to \$200,000;
- (3) Deleting the requirement for matching funds with federal Environmental Protection Agency moneys;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1280, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1280, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hee, Taniguchi, Trimble.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Carroll, Meyer.

Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 165 on H.B. No. 1889

The purpose of this bill is to improve Hawaii's ability to promote economic, social, cultural, and scientific relations with other countries by establishing within the Department of Business, Economic Development, and Tourism, an Office of International Affairs.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision for an executive director position to head the Office of International Affairs;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1889, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1889, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hooser.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hooser).

Representatives Hale, Karamatsu, Wakai, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 166 on H.B. No. 1879

The purpose of this bill is to better serve Hawaii's veterans by appropriating funds for the Office of Veterans' Services to publish the Hawaii Veterans' Newsletter.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation amount to \$50,000;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1879, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1879, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Hogue).

Representatives Ito, Chong, Tanaka, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 167 on H.B. No. 3259

The purpose of this bill is to improve the State's ability to address the dental-health crisis it faces regarding QUEST-eligible adults and children, the developmentally disabled, and the uninsured by appropriating funds for community-based dental health clinics that are operated by federally qualified health centers or other community-based organizations.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$90,000;
- (2) Providing that the appropriation is also to be used for an assessment of the status of the continuum of dental care by a school of dentistry accredited by the American Dental Association;

- (3) Providing that the continuum of dental care should include a lead primary care dentist trained in the treatment of underserved populations in addition to individuals with disabilities;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3259, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3259, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Taniguchi, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Sonson, Kawakami, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 168 on H.B. No. 3235

The purpose of this bill is to support Oahu-based symphony music by appropriating funds for the State of Hawaii Endowment Fund, provided that the funds are matched on a dollar-for-dollar basis with private funds.

Your Committee on Conference has amended this measure by:

- (1) Changing the appropriation amount to \$4,000,000;
- (2) Changing its effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for style, clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3235, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3235, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Tsutsui, Ige, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Chang, Yamashita, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 169 on H.B. No. 1918

The purpose of this bill is to establish a Commission on Salaries (Commission) to review and recommend the salary of the Governor, Lieutenant Governor, the members of the Legislature, justices and judges of all state courts, the Administrative Director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments.

This bill also repeals the Executive Salary Commission and the Judicial Salary Commission.

Your Committee on Conference has amended this bill by:

- (1) Requiring the first Commission to submit its salary recommendations to the Legislature during the regular session of 2007 instead of 2008;
- (2) Providing that any change in salary that becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted;
- (3) Amending sections 26-51, 26-52, 26-53, 26-54, 601-3, 602-2, 602-52, 603-5, and 604-2.5, Hawaii Revised Statutes, to replace references to both the Executive and Judicial Salary Commissions;
- (4) Directing the Commission to also recommend the salary of the department head and deputy of the Department of Defense;
- (5) Deleting the appropriation provision;

- (6) Deleting the effective date of July 1, 3000; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1918, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1918, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Ihara, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Magaoay, Luke, Yamane, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 170 on H.B. No. 2626

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the Executive Branch and the Judiciary.

Your Committee on Conference finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2626, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2626, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Takamine, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 171 on H.B. No. 2540

The purpose of this bill is to better serve voters by increasing the number of precinct officials on Election Day by appropriating funds to increase their stipends.

Your Committee on Conference has amended this bill by appropriating \$96,542 to increase stipends for precinct officials.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2540, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2540, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Takamine, Stevens.
Managers on the part of the House.

Ayes, 2. Noes, none. Excused, 1 (Stevens).

Conf. Com. Rep. No. 172 on H.B. No. 2051

The purpose of this bill is to determine how Hawaii can best combat and deter human trafficking by establishing the Hawaii Anti-Trafficking Task Force (Task Force) to be responsible for:

- (1) Compiling statutes, rules, and information relating to programs adopted in other states to combat human trafficking;
- (2) Recommending further changes to Hawaii law necessary to prevent human trafficking and support its victims;
- (3) Develop protocol and training;
- (4) Develop interagency procedures to collect and organize data; and
- (5) Engage in consultation with governmental and nongovernmental organizations to advance the purposes of this Act.

This bill also appropriates funds to support the work of the Task Force.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$5,000 to support the work of the Task Force;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2051, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Lee, Pine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 173 on H.B. No. 2277

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

Your Committee on Conference has amended this bill by:

- (1) Appropriating funds for five additional claims that have been resolved, totaling \$871,138.59;
- (2) Correcting the appropriation for *Rodenhurst v. State of Hawaii, et al.* from \$31,342.17 to \$31,342.71; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2277, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2277, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Luke, Takamine, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 174 on H.B. No. 2045

The purpose of this bill is to address Hawaii's current lack of facilities equipped to provide comprehensive prenatal, delivery, and postpartum care to women who have a history of methamphetamine and other substance abuse, including alcohol and tobacco, by creating a pilot perinatal clinic to:

- (1) Facilitate the patient's transition from a troubled, pregnant woman to a coping, capable parent;
- (2) Assess the safety of the home environment for the child; and
- (3) Prevent outplacement and keep families together whenever possible.

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

- (1) Inserting a sunset date of June 30, 2009;
- (2) Inserting an appropriation amount of \$400,000;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2045, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2045, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Taniguchi, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Trimble).

Representatives Arakaki, Waters, Nishimoto, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 175 on H.B. No. 1821

The purpose of this bill is to more adequately compensate care home operators by:

- (1) Clarifying that domiciliary care includes care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and adult foster homes;
- (2) Including community care foster family homes with type I adult residential care homes, licensed developmental disabilities domiciliary homes, and adult foster homes, and establishing a minimum level of care payment of an unspecified amount for those types of care homes;
- (3) Establishing a minimum level of care payment of an unspecified amount for type II adult residential care homes;
- (4) Requiring the Department of Human Services to authorize payments, as allowed by federal law, for certain resident clients of type I and type II facilities receiving Supplemental Security Income (SSI); and
- (5) Appropriating funds to provide for continued operation of developmental disabilities domiciliary homes and apartment complexes for persons with developmental disabilities.

Your Committee on Conference has amended this bill by:

- (1) Expanding the authorization of payments for certain resident clients receiving SSI to include licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes;
- (2) Increasing the maximum level of care payments for type I facilities, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes to \$621.90;
- (3) Increasing the maximum level of care payments for type II facilities to \$729.90;
- (4) Appropriating \$1,375,000 for the state supplemental payments;
- (5) Changing the effective date to July 1, 2006, except for provisions relating to the increase in level of care payments which will take effect on January 1, 2007; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1821, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1821, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Fukunaga, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Trimble).

Representatives Sonson, Arakaki, Takamine, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 176 on S.B. No. 475

The purpose of this measure is to increase the standard of need from the 1993 federal poverty level to the current poverty level, and to remove the limitation on making general assistance payments only from total appropriations for that purpose.

This measure will address the increasing cost of living in the State by increasing the standard of need to reflect the current federal poverty level for Hawaii.

Your Committee on Conference has amended this measure to:

- (1) Reflect the 2006 federal poverty level;
- (2) Change the assistance allowance percentages to maintain current spending levels;
- (3) Direct the Department of Human Services to reevaluate the standard of need during the interim following the 2006 Regular Session and report its findings and recommendations to the Legislature; and
- (4) Change the effective date to July 1, 2007, except that the provisions relating to the Department of Human Services reevaluation of the standard of need shall be effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 475, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 475, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Sonson, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 177 on S.B. No. 2334

The purpose of this measure is to make an emergency appropriation for the Hawaii Youth Correctional Facility.

This measure is necessary to fund needed improvements, remedial measures, and associated overtime costs at the Hawaii Youth Correctional Facility

Your Committee on Conference has amended this measure by changing the effective date to upon its approval and replacing the blank appropriation with a dollar amount.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2334, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2334, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Taniguchi, Fukunaga, Ihara, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Whalen).

Representatives Sonson, Luke, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Luke).

Conf. Com. Rep. No. 178 on S.B. No. 3253

The purpose of this measure is to establish a joint legislative committee on family caregiving to address the looming care crisis.

This measure will facilitate the development of comprehensive public policy to strengthen support for family caregivers.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3253, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3253, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Fukunaga, Ihara, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

Representatives Sonson, Arakaki, Magaoay, Lee, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Lee).

Conf. Com. Rep. No. 179 on S.B. No. 2961

The purpose of this bill is to discourage smoking by increasing the tax on cigarettes and to provide funds for the John A. Burns School of Medicine, emergency medical services, trauma care, and community health centers.

This bill increased the tax per cigarette a blank amount over three years and allocated blank percentages of the increased revenues to fund the John A. Burns School of Medicine, community health centers, the emergency medical services special fund, and, if adopted in the Regular Session of 2006, the trauma system special fund.

Your Committee on Conference amended this bill by:

- (1) Establishing the Hawaii cancer research special fund and the community health centers special fund;
- (2) Exempting the Hawaii cancer research special fund, the community health centers special fund, and the emergency medical services special fund from central service expenses and from administrative expenses;
- (3) Inserting the tax amount per cigarette to increase 1.00 cent per year over six years;
- (4) Inserting the amounts in cents to be allocated to each recipient over six years;
- (5) Designating the Hawaii cancer research special fund, the community health centers special fund, the emergency medical services special fund, and the trauma system special fund as the recipients of the revenues; and
- (6) Appropriating \$11,000,000 out of the Hawaii cancer research special fund for research and operating expenses of the Cancer Research Center of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2961, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2961, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland, Fukunaga, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

Representatives Arakaki, Magaoay, Green, Yamane, Yamashita, Stevens.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 180 on S.B. No. 2545

The purpose of this bill is to extend the condominium management dispute resolution program for three years.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2545, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Trimble).

Representatives Herkes, Wakai, Cabanilla, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 181 on S.B. No. 2150

The purpose of this measure is to provide financial support for the repair and maintenance of the State's small boat harbors by:

- (1) Requiring fifty per cent of the general excise tax revenue received from commercial permit holders in small boat harbors be deposited into the Boating Special Fund under section 248-8, Hawaii Revised Statutes; and
- (2) Prohibiting the transfer of small boat harbors to the counties except as provided by statute.

The dilapidated condition of the small boat harbors in Hawaii can be attributed in large part to an inadequate revenue stream to fund repair and maintenance projects. Your Committee on Conference finds that providing a more adequate revenue stream to fund small boat harbor repair and maintenance projects is an issue that requires further discussion. Your Committee on Conference further finds that the transfer of the operations, administration, and maintenance of the small boat harbors to the various counties can only be done if the transfer is provided by law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions that requires fifty per cent of the general excise tax revenue received from commercial permit holders in small boat harbors be deposited into the Boating Special Fund under section 248-8, Hawaii Revised Statutes;
- (2) Adding a purpose section;
- (3) Changing the effective date from July 1, 2060 to become effective upon its approval;
- (4) Adding a sunset provision; and
- (5) Making nonsubstantive, technical amendments for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2150, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2150, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kokubun, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Kanoho, Kawakami, Evans, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 182 on S.B. No. 2897

The purpose of this measure is to improve and simplify the procurement process by:

- (1) Requiring small purchase procurements between \$25,000 and \$50,000 to be made:
 - (A) Through an electronic procurement system; and
 - (B) In accordance with established small purchase procurement rules and procedures;
- (2) Exempting the Department of Budget and Finance from the Procurement Code when administering certain types of special purpose revenue bonds;
- (3) Exempting the High Technology Development Corporation from the Procurement Code when administering special facility revenue bonds solely for use by another party; and

- (4) Prohibiting government contracts from requiring construction design professionals to defend the governmental body from negligent acts, errors, or omissions committed by the governmental body.

Special purpose revenue bonds are issued to assist health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, energy projects, early childhood education and care facilities serving the general public, and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

Your Committee finds that the exemption from the procurement code is warranted since no public moneys are involved in the issuance of special purpose revenue bonds. In addition, even the fees and costs involved in the issuance of special purpose revenue bonds and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of special purpose revenue bonds, the borrower is required to reimburse the State for all such amounts.

Your Committee has amended this measure by:

- (1) Deleting the provision for small purchases, as it is contained in S.B. No. 2898, CD1;
- (2) Deleting the language relating to the duty to defend a governmental body, since there is a conflict between the Attorney General's opinion and the design professional's preference; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Fukunaga, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Karamatsu, Magaoay, Yamashita, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 183 on S.B. No. 2273

The purpose of this measure is to amend the law relating to the employees' retirement system (ERS) to clarify and correct existing language, to conform statutes to current practices, and to include language previously omitted from prior legislation.

Among other things, this measure:

- (1) Establishes a new definition for:
 - (A) "Child or children", to include children living with an ERS member in a parent-child relationship with the member being the guardian or having legal and physical custody over the child or children;
 - (B) "Active member";
 - (C) "Accidental death", to apply to all membership plans; and
 - (D) "Ordinary death", to apply to all membership plans;
- (2) Amends the definition for:
 - (A) "Beneficiary"; and
 - (B) "Retirement allowance";
- (3) Clarifies that the credited service of a contributory plan member who has not vested is forfeited upon termination of service;
- (4) Allows former nonvested contributory plan members whose accumulated contribution balances are more than \$1,000 to withdraw the funds upon their return to service;
- (5) Allows former contributory plan members and returning nonvested contributory plan members whose accumulated contributions total more than \$1,000 to leave their contributions in the system until they reach the age of 62;
- (6) Clarifies the method for calculating the nontax-qualified benefit for highly compensated individuals who had accrued pension benefits prior to July 1, 2004;

- (7) Corrects language in subsection 88-271(a), Hawaii Revised Statutes, to clarify when a class A or B member may elect to become a class C member;
- (8) Clarifies when and under what circumstances beneficiary designations may be changed and when the designations are irrevocable;
- (9) Requires claims for accidental and ordinary death benefits to be made within three years of the member's death;
- (10) Replaces "recklessness" as grounds for disqualification for accidental death benefits under the noncontributory plan with the "wilful negligence" standard of the contributory and hybrid plans;
- (11) Clarifies that accumulated sick leave is not to be included in determining the amount of credited service for vesting purposes;
- (12) Allows a former employee, who has vested in the contributory plan, to withdraw the employee's contributions at any time;
- (13) Allows the board to use limited liability companies as an investment vehicle;
- (14) Clarifies that employers of members called to active duty shall continue to make contributions provided that the member returns to work or dies in military service and that a member who dies on active duty shall accrue service credit until the date of death;
- (15) Clarifies that a member who dies while on active military duty shall receive benefits in the same manner as if the member had died while on any other authorized leave without pay;
- (16) Allows for termination of a member's eligibility for benefits under the Servicemen's Act after five years;
- (17) Allows a member who was on active duty outside of the State on February 28, 2006, to have thirty days after the member returns to work to make an election regarding participation in class H service; and
- (18) Requires a member entering or returning to service from March 1, 2006, through June 30, 2006, to make an election to become a class H member within sixty days of entering or returning to service; and
- (19) Changes the June 30, 2006 deadline for members to restore forfeited service credit and claim membership service in order to be eligible for conversion to class H service to an unspecified date to be determined by the board.

Your Committee on Conference finds that amendments to the current statutory law are necessary to improve and streamline the ERS. This measure will help to clarify and augment the system to enable the ERS to provide and maintain a quality pension system for public employees in Hawaii.

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

- (1) Ensuring that the appropriate effective dates are applied to each specific amendment; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and to reflect proper drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2273, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2273, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 184 on S.B. No. 965

The purpose of this bill is to amend Hawaii's electronic surveillance law by, among other things:

- (1) Deleting the requirement that an applicant for an intercept order appear at an in camera adversary hearing on the application and that the judge appoint independent counsel to oppose the application;
- (2) Establishing a surveillance review unit in the Department of the Attorney General to review all applications for interception of wire, oral, or electronic communications;

- (3) Requiring that a written memorandum from the unit deputy Attorney General accompany each application for an intercept order, with a recommendation to approve or disapprove the application;
- (4) Protecting applications and orders from disclosure absent a showing of good cause;
- (5) Making it a class C felony for any person to intentionally disclose the contents of any intercepted communication with intent to interfere with a criminal investigation;
- (6) Allowing the Attorney General to seek an injunction against any illegal interception of communication; and
- (7) Requiring annual reports to the Legislature concerning pen register orders and orders for trap and trace devices.

Your Committee on Conference has amended this measure to:

- (1) Modify section 641-13, Hawaii Revised Statutes, to provide for an appeal from a denial of an intercept order;
- (2) Insert language to take into account installation of tracking devices which are installed by or with the consent of the owner, such as a global position system like On-Star;
- (3) Rephrase language that addresses *State v. Lo*, 66 Haw. 653 (1983);
- (4) Delete the provision that explicitly authorizes a person to disclose an illegally intercepted communication in the course of publication of truthful information of public concern;
- (5) Add distribution of dangerous, harmful or detrimental drugs and conspiracy to commit murder, kidnapping, felony criminal property damage, or distribution of dangerous, harmful or detrimental drugs to the list of predicate crimes that do not require an organized crime component;
- (6) Add money laundering as a crime for which interception can be authorized when connected with organized crime;
- (7) Insert language to prohibit the use of wiretap evidence in the State's case in chief if the highest grade of offense charged is a misdemeanor;
- (8) Add language to prohibit the contents of wire, oral, or electronic communication and evidence derived therefrom from being used in court proceedings if the communication or evidence was gathered in violation of the electronic surveillance law;
- (9) Insert an exception to the requirements of an application for an order authorizing or approving an interception of a wire, oral, or electronic communication relating to the specification of the location of the facilities from which the communication is to be intercepted;
- (10) State that an application for an order authorizing or approving an interception of a wire, oral, or electronic communication is to have a full and complete but not unduly technical or complex statement of the facts concerning how the interception is to be accomplished;
- (11) Change the period of extension from fifteen days to thirty days;
- (12) Add a provision allowing the denial of an application as a trigger of the ninety-day period in which to serve an inventory;
- (13) Insert language to give judges more discretion as to what shall be made available for inspection and for disclosure;
- (14) Delete the requirement that inventory include notice of whether the intercepted statements were incriminating;
- (15) Add a provision that allows the government to require a provider or remote computing service to preserve records for ninety days pending a court order;
- (16) Add language to conform various sections to federal law;
- (17) Make technical changes for clarity, style, and conformity; and
- (18) Change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 965, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 965, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Luke, Yamane, B. Oshiro, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 185 on S.B. No. 2958

The purpose of the measure is to implement many of the recommendations of the Joint Legislative Housing and Homeless Task Force established pursuant to Act 196, Session Laws of Hawaii 2005. Specifically, this measure:

- (1) Removes the requirement that a housing project, to be considered for transfer to another entity for rehabilitation, must no longer be suitable for its original use and intended for demolition;
- (2) Allows State Rent Supplement Program (SRSP) funds to be used for project-based operating subsidies for state low-income housing units that are transferred to private organizations for management and operation;
- (3) Allows individuals receiving public assistance to qualify as tenants for public housing;
- (4) Extends from June 30, 2007, to June 30, 2009, the use of the Rental Housing Trust Fund (RHTF) to provide grants for rental units for households at or below thirty percent of the median family income;
- (5) Increases from thirty to sixty-five percent the conveyance tax allocation to RHTF;
- (6) Authorizes the lease of parcels deemed suitable for affordable housing at \$1 per year for up to fifty years for self-help development;
- (7) Authorizes the transfer of state lands from the Department of Land and Natural Resources (DLNR) or another state agency to the Hawaii Housing Finance and Development Administration (HHFDA) for affordable housing development;
- (8) Appropriates \$20,000,000 for homeless services and transitional housing programs;
- (9) Appropriates \$10,000,000 to repair and modernize vacant units in federal and state public housing projects;
- (10) Appropriates \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes;
- (11) Sets aside five percent of state low-income public housing units for grandparents who are primary caregivers for grandchildren, and making related amendments;
- (12) Appropriates \$6,800,000 for HHFDA to acquire the Kulana Nani property from Kamehameha Schools and retain the property as affordable housing; and
- (13) Appropriates funds to renovate existing structures at Kalaeloa to provide shelter to homeless veterans.

Your Committee finds that this measure, along with others pending enactment in this session of the legislature, is necessary to provide more meaningful near-term solutions to Hawaii's affordable housing and homeless problem. However, in the interest of avoiding duplication, your Committee has deleted the content of this measure and amended it to include the following provisions without monetary or fiscal impact on the state budget:

- (1) Addition of two new members to the Hawaii Public Housing Authority board of directors;
- (2) Deletion of the requirement that there be an intent to demolish public housing units before they may be decommissioned;
- (3) Authorization that state-owned parcels may be leased for the development of self-help housing; and
- (4) Requirement that public lands identified as suitable for affordable residential development be transferred by the Department of Land and Natural Resources to the Hawaii Housing and Finance Development Administration.

It is further the intent of your Committee that the Housing and Community Development Corporation of Hawaii, or its successor agency, provide by rule that minor children may reside in state housing for elders where a grandparent is the primary caregiver, with a five per cent set-aside of units for that purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2958, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2958, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Chun Oakland, Espero, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 3 (Baker, Tsutsui, Whalen).

Representatives Kahikina, Takamine, Nishimoto, Pine.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 186 on S.B. No. 819

The purpose of this measure is to amend section 6E-16, Hawaii Revised Statutes by enabling the Department of Land and Natural Resources to:

- (1) Deposit any civil, criminal, and administrative penalties, fines, and other charges collected under chapter 6E, Hawaii Revised Statutes or any rule adopted pursuant to chapter 6E into the Hawaii Historic Preservation Special Fund; and
- (2) Expend money from the fund, subject to legislative authorization, for permanent and temporary staff positions, and to cover administrative and operational costs of the historic preservation program.

The Department of Land and Natural Resources is authorized under chapter 6E to assess penalties, fines, and other administrative charges. Your Committee on Conference finds that depositing collected fines into the Hawaii Historic Preservation Special Fund will allow the Department to improve its ability to administer the state historic preservation program.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, to taking effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 819, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 819, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, English, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, B. Oshiro, Evans, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (B. Oshiro).

Conf. Com. Rep. No. 187 on S.B. No. 2133

The purpose of this bill is to protect the health and well-being of the residents of Hawaii by establishing a Hawaii Health Authority and a youth suicide early intervention and prevention program and restricting the use of mercury-containing vaccines.

Your Committee has amended this bill by deleting all sections relating to the Hawaii Health Authority and the youth suicide early intervention and prevention program.

Your Committee upon further consideration amended the bill by:

- (1) Establishing the Hawaii health commission and appropriating \$200,000 for operating expenses;
- (2) Changing the effective date by including a sunset date of June 30, 2009; and
- (3) Making technical, non-substantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2133, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2133, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, B. Oshiro, Nishimoto, Green, Waters, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 188 on S.B. No. 2502

The purpose of this measure is to continue to provide necessary dental care to eligible elderly, disabled, or medically compromised individuals by appropriating funds for the continued implementation of the Donated Dental Services program in Hawaii.

This measure will enable the Donated Dental Services program to continue to provide dental care to elderly or disabled people in Hawaii who otherwise would have little or no access to dental care.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, and by replacing the blank appropriation with a dollar amount.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2502, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2502, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Trimble).

Representatives Arakaki, Nishimoto, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 189 on S.B. No. 2143

The purpose of this bill is to establish a system of licensure for the money transmitter industry in Hawaii and to prohibit money transmission from being used to facilitate illegal activities.

Your Committee has amended this measure by:

- (1) Adding a section that allows the Commissioner of Financial Institutions to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, to implement this bill;
- (2) Making technical, nonsubstantive amendments for clarity and style; and
- (3) Changing the effective date from "July 1, 2050" to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2143, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2143, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Baker).

Representatives Herkes, Luke, Evans, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 190 on S.B. No. 2484

The purpose of this measure is to appropriate funds for the installation of two vog-monitoring stations, one at Mountain View and one at Pahala on the island of Hawaii.

Your Committee on Conference finds that additional monitoring stations are necessary to alert thousands of residents in the Puna district who are affected by significant amounts of vog emissions. Accordingly, this measure makes an appropriation to the Department of Health for two additional vog-monitoring stations, one in Mountain View and one in Pahala.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$150,000;
- (2) Clarifying that one vog-monitoring station is be placed in Mountain View and one in Pahala, or at any alternate location as determined by the Department of Health; and
- (3) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2484, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2484, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Morita, Evans, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 191 on S.B. No. 2480

The purpose of this measure is to appropriate funds to conduct a study on the feasibility of constructing a wastewater treatment facility for Kapoho Vacationland Estates and Farmlots and public restrooms at the Wai O Pae Marine Life Conservation District on the island of Hawaii.

Your Committees find that the Kapoho and Vacationland subdivisions rely primarily on cesspools and septic tanks as a means of wastewater disposal. Due to the high groundwater table and close proximity to valuable nearshore water and porous ground formations, it is suspected that wastewater from these communities may be impacting the nearshore waters. This measure requires a feasibility study to determine if a wastewater treatment facility for the area and public restrooms for the marine life conservation district are appropriate.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriation amount of \$150,000;
- (2) Making the measure effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2480, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2480, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Morita, Evans, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 192 on S.B. No. 2504

The purpose of this bill is to require the State to reimburse the counties for issuing parking placards to persons with disabilities.

This bill will enable the counties to be reimbursed by the State at the rate of \$12 per unit for issuing parking placards to persons with disabilities. The auditor will conduct a cost analysis of this reimbursement to the counties.

Your Committee on Conference amended this bill by changing the effective date to July 1, 2006, by inserting a dollar amount into the blank appropriation, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2504, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2504, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Tsutsui, Chun Oakland, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Souki, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. No. 193 on S.B. No. 3090

The purpose of this measure is to require the Director of Labor and Industrial Relations, with input from interested stakeholders in the workers' compensation system, to establish standardized forms for medical service providers to use when reporting on and billing for injuries compensable under workers' compensation law.

Your Committee on Conference finds that in facilitating the filing of workers' compensation claims, more can be done to provide uniformity, greater clarity, and efficiency in the delivery of medical services to injured employees and payment to the providers. The current lack of uniformity in the filing of paperwork by providers often results in the employer's denial of payment for services without an effective method for the employee to determine the basis for denial. Consequently, denials necessitate the filing of additional paperwork and further delay, or eliminate the receipt of payment for medical services from the employer's insurer. The use of standardized forms will help to clearly identify the necessary information for proper determinations of the need for care and the type of care that satisfies medical reporting requirements. These forms must be developed by DLIR with input from interested stakeholders in the workers' compensation system, including insurers, providers, employers, and employees, in order to better address the needs of all parties involved and be truly helpful in streamlining the workers' compensation system.

Your Committee on Conference understands that the development and use of electronic standardized forms would also prove extremely helpful to streamlining the system; however, the initial development of the necessary forms is a major first step in improving the efficiency of the workers' compensation system. The issue of electronically posting and filing of standardized forms can still be addressed at a later time.

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

- (1) Changing the effective date of the Act to July 1, 2006; and
- (2) Making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3090, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3090, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 194 on S.B. No. 3270

The purpose of this bill is to provide cost-effective care for Hawaii residents who are uninsured, while at the same time ensuring that the community health center system remains financially viable and stable in the face of a growing population of uninsured.

This bill statutorily requires that federally qualified health centers and rural health clinics be reimbursed in accordance with relevant sections of the Social Security Act. Additionally, this bill appropriates funds to the Department of Health for direct medical care to the uninsured.

Your Committee on Conference amended this bill by:

- (1) Inserting 1.75 percent as the cost threshold at which reimbursement rates paid to federally qualified health centers may be adjusted if exceeded;
- (2) Changing the effective date to July 1, 2006;
- (3) Inserting an appropriation amount of \$2,000,000; and
- (4) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3270, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3270, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Taniguchi, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Sonson, Lee, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 195 on S.B. No. 2214

The purpose of this measure is to establish a civil defense emergency preparedness special fund and a Prepared Emergency Response Plan Commission with enumerated duties.

Your Committee finds that the State needs to significantly improve its emergency preparedness program for major disasters and to accelerate response and recovery operations during and after disasters. This measure represents the priority concerns of the State Civil Defense.

Civil defense hazards and disasters include hurricanes, flash floods, tsunamis, earthquakes, volcanoes, subsidence of land or landslides; urban fires, power failures, wild fires, hazardous material situations, droughts, aircraft accidents, tornadoes and water spouts, dam failures, radiological incidences, terrorism, and civil disorders.

Emergency and disaster preparedness basically involves continuous planning, effective and efficient response including evacuation, training, and the development of infrastructure and warning systems. To make this happen, coordinated effort and planning are necessary over a broad spectrum of public and private entities, including the state, counties, federal government, national guard, law enforcement, and hospitals. The aim is prevention, protection, response, and recovery.

The State must have a comprehensive emergency preparedness program to mitigate hazards, enhance preparedness for major disasters, and accelerate response and recovery when disaster strikes. The goal is to enhance and fortify the State's ability to save lives and protect property in the event of disaster.

Your Committee has amended this measure by deleting its contents and substituting provisions that would:

- (1) Make appropriations totaling \$9,000,000 for various civil defense programs and activities;
- (2) Change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2214, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2214, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Sakamoto, Taniguchi, Baker, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Ito, Herkes, Luke, Chong, Tanaka, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Herkes, Tanaka).

Conf. Com. Rep. No. 196 on S.B. No. 2461

The purpose of this measure is to make grants for various entities for transportation and housing on the island of Maui.

Your Committee on Conference has amended this measure by replacing its contents with grants to Adult Friends for Youth, the Baby Hui, Hui Malama Learning Center, Maui Economic Opportunity, Inc., Maui Youth and Family Services, Inc., and Global Medilink Technology for various programs.

This measure will enable these organizations to continue providing services to at-risk youth, low-income and teen parents, and people transitioning back into the community after incarceration, and to promote access to dental care.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2461, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2461, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Menor, Taniguchi, Baker, Kokubun, Tsutsui.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Menor).

Representatives Kahikina, Nishimoto, Carroll, Tanaka, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 197 on S.B. No. 3120

The purpose of the measure is to encourage Hawaii residents to pursue post-secondary school education by:

- (1) Establishing a Workforce Development Scholarship Program (Workforce Program) within the University of Hawaii to provide scholarships for Hawaii residents enrolled at a community college campus of the university and who are eligible for need-based federal financial aid;
- (2) Specifying that state funds for all scholarship programs be placed in a separate account within the Student Scholarship and Assistance Fund;
- (3) Appropriating additional funds for the B Plus Scholarship Program; and
- (4) Appropriating funds to establish the Workforce Program.

Your Committee finds that the increases in the university tuition and fee schedule, which take effect in the fall of 2006, will continue to make it difficult for Hawaii's residents to attend the university. Your Committee also finds that the initial appropriation of \$1,500,000 for the B Plus Scholarship Program is not sufficient to enroll a significant proportion of the estimated number of eligible applicants.

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

- (1) Amend the purpose section of the measure;
- (2) Establish the Hawaii state scholars program;
- (3) Transfer the sum of \$500,000 from the University of Hawaii tuition and fees special fund into the student scholarship and assistance special fund, for purposes of funding the Workforce Development Scholarship Program;
- (4) Change the effective date to July 1, 2006; and
- (5) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3120, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3120, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Taniguchi, Inouye, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Waters, Caldwell, Chong, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 198 on S.B. No. 3035

The purpose of this measure is to ensure that an injured employee who has not resumed work continues to receive temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations renders a decision to terminate such benefits.

Under the current law, an employer may unilaterally terminate an injured employee's TTD benefits upon the belief that an injured employee, who has not returned to work, is in fact able to resume work. Once terminated, benefits can only be reinstated upon the written request of the injured employee contesting the termination and a favorable determination by the Director of Labor and Industrial Relations. Currently, an injured employee who has disputed the termination of TTD benefits must wait three to nine months for a hearing and resolution on the matter. As the workers' compensation system is one that balances the interests of employers and employees by guaranteeing that workers injured on the job receive medical treatment and replacement of lost wages, while employees relinquish their right to sue under most circumstances, medical treatment and payment of TTD benefits should not be capriciously terminated. Therefore, your Committee on Conference believes that this measure is necessary to eliminate the undue hardship imposed by the current law on the injured employee when the injured employee is not working and likely has no other means of income.

Your Committee on Conference finds that concerns on the employer obtaining a credit for voluntary payments made in the form of TTD benefits were already addressed under section 386-52, HRS.

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

- (1) Requiring the director of labor and industrial relations, if rendering a decision that TTD benefits should have been discontinued, to indicate the date after which the TTD benefits should have been discontinued; and
- (2) Making its provisions effective on January 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3035, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3035, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 199 on S.B. No. 2505

The purpose of this measure is to protect our youth and to prevent alcohol and substance abuse among Hawaii's children by appropriating funds to extend adolescent school-based substance abuse treatment programs to middle and intermediate schools, with priority given to schools with the greatest need.

This measure will enable the continuation of school-based substance abuse treatment programs for adolescents, as well as providing outreach via classroom presentations and networking with teachers and other school personnel. A school may decline an award of funds for school-based substance abuse treatment programs, in which case, the funds will be reallocated among other middle and intermediate schools.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, by inserting a dollar amount into the blank appropriation, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2505, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2505, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Sakamoto, Tsutsui, Chun Oakland, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Whalen).

Representatives Arakaki, Takumi, Chong, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 200 on S.B. No. 2274

The purpose of this measure is to make the Directors of the Offices of Council Services for the City and County of Honolulu and the County of Maui, if in service on July 1, 2006, class A members of the employees' retirement system (ERS).

The City and County of Honolulu and the County of Maui each maintain an Office of Council Services that provides comprehensive research and reference services for the respective Councils, conducts research for the enactment or consideration of legislation, and serves in an advisory or consultative capacity and provides clerical and logistical support to the respective Councils, members, and committees. Although no separate offices exist in the County of Hawaii or the County of Kauai, the same services are performed by the clerks' offices for those counties. Currently, the county clerks for the counties of Hawaii and Kauai are allowed to claim membership in the ERS as class A members. However, the Directors of the Offices of Council Services for the City and County of Honolulu and County of Maui are not accorded this same privilege. As these Directors perform the same legislative support functions as the county clerks for the counties of Hawaii and Kauai, they should be provided parity in terms of retirement benefits. This measure will provide the Directors for the Offices of Council Services who are in service in such capacities on July 1, 2006, with class A membership in the ERS.

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

- (1) Clarifying that both Directors of the Offices of Council Services for the City and County of Honolulu and the County of Maui shall be included in class A membership in the ERS; and
- (2) Changing the effective date of the Act to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2274, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2274, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Caldwell, Nakasone, Stevens.
 Managers on the part of the House.
 Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 201 on H.B. No. 2778

The purpose of this bill is to require the State and covered entities to provide assistance to limited English proficient persons who are eligible for certain state-provided or state-funded programs. Among other things, this measure:

- (1) Requires the State and covered entities that render services on behalf of the State to ensure meaningful access to services by providing oral and written language services to limited English proficient persons;
- (2) Establishes a Language Access Director position and provides duties and responsibilities;
- (3) Establishes a Language Access Advisory Council (Advisory Council) to advise the Language Access Director; and
- (4) Appropriates general revenues to staff and maintain positions for the office of the Language Access Director and Advisory Council.

Persons who do not speak English as a primary language comprise a significant portion of Hawaii's population. Many of these individuals contribute to our economy, educate their children in our schools, and make valuable contributions to the life of our state. However, many individuals with limited English proficiency sometimes have difficulty obtaining services from state agencies because of their limited ability in the English language. Your Committee on Conference finds that we must strive to ensure that all residents of Hawaii, including non-English speakers and limited-English speakers, enjoy full access to and participation in the life of our community.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a "covered entity" includes persons receiving state financial assistance including grants or other arrangements by which services are rendered on behalf of the State;
- (2) Clarifying that "vital documents" means printed documents that provide "important" rather than just "relevant" information necessary to participate in services, programs, and activities;
- (3) Specifying that each state agency and all covered entities shall take reasonable steps to ensure meaningful access to services, programs, and activities by limited English proficient persons;
- (4) Specifying that each state agency and all covered entities shall provide competent, timely oral language services to limited English proficient persons who seek to access services, programs, or activities;
- (5) Specifying that each state agency and all covered entities shall provide written translation of vital documents to limited English proficient persons who seek to access services, programs, or activities under certain circumstances;
- (6) Requiring each state agency and covered entity to establish a plan for language access;
- (7) Establishing an Office of Language Access within the Department of Labor and Industrial Relations (DLIR) that is headed by an executive director to be known as the Executive Director of the Office of Language Access (Executive Director);
- (8) Establishing the duties of the Executive Director;
- (9) Requiring that each state agency's plan for language access be established in consultation with the Executive Director;
- (10) Requiring state agencies receiving federal financial assistance to file an initial language access plan with the Executive Director no later than July 1, 2007;
- (11) Requiring the language access coordinator of each state agency to implement their language access plan in consultation with the Executive Director;
- (12) Including the Executive Director as a member of the Advisory Council;
- (13) Clarifying that the Advisory Council shall serve in an advisory capacity to the Executive Director;
- (14) Stipulating that the Executive Director submit a written report annually to the Governor and Legislature no later than 20 days prior to the convening of each regular session;
- (15) Inserting an appropriation of \$440,000 for the purposes of staffing and maintaining positions at DLIR for the Office of the Executive Director and Advisory Council;
- (16) Inserting a title of "Language Access" for the new part;

- (17) Deleting reference to establishing a salary for the Executive Director;
- (18) Changing its effective date from July 1, 2050, to July 1, 2006; and
- (19) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2778, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2778, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Caldwell, Luke, Wakai, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 202 on H.B. No. 2595

The purpose of this bill is strengthen the relationship between inmates and family members by restricting the Department of Public Safety (DPS) from canceling pre-approved and pre-scheduled family visits with inmates.

Your Committee on Conference has amended this bill by:

- (1) Deleting appropriations to DPS for the purposes of retrofitting facilities with non-contact visitation areas and amending the bill accordingly;
- (2) Adding reciprocal beneficiaries to the definition of family members;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2595, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2595, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Tanaka, Chong, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 203 on H.B. No. 1865

The purpose of this bill is to strengthen the financial operations of Hawaii's public school system and help achieve the goals of Act 51, Session Laws of Hawaii 2004, by creating a new chief financial officer position in the Department of Education (DOE) to meet the broad demands of managing DOE's budget and overseeing its financial operations, and a supporting secretary.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$115,000 for the assistant superintendent position to perform the functions of a chief financial officer;
- (2) Inserting an appropriation of \$43,000 for the secretary position to assist the assistant superintendent;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1865, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1865, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Taniguchi, Nishihara, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takumi, Caldwell, Nakasone, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 204 on H.B. No. 1866

The purpose of this bill is to provide the University of Hawaii (UH) and Department of Education (DOE) with autonomous authority over its accounting systems and other purchasing responsibilities and duties until June 30, 2008.

Your Committee on Conference has amended this bill by extending to June 30, 2011, the authority of UH and DOE over their finances.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1866, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1866, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Sakamoto, Inouye, Taniguchi, Baker, Trimble.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Baker).

Representatives Takumi, Waters, Karamatsu, Wakai, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

Conf. Com. Rep. No. 205 on H.B. No. 2692

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by providing that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

Your Committee on Conference finds that under current law, employers must pay prevailing wages to employees working on public works projects. However, lack of information, as well as uncertainty as to what constitutes a public works project, especially a project that is not directly caused by a governmental contracting agency, can and does result in the failure of employers to pay prevailing wages on public work projects. However, your Committee on Conference recognizes that failure to pay prevailing wages may be inadvertent and that penalizing a company for each violation in such cases would be unfair.

Accordingly, your Committee on Conference has amended this measure by replacing its contents with language that ensures that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with Hawaii's prevailing wage law by:

- (1) Making it the responsibility of DLIR to ensure that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with the state prevailing wage law;
- (2) Requiring that any issuance of special purpose revenue bonds (SPRBs) for these projects be promptly reported to DLIR to allow DLIR to carry out its duties of ensuring that projects financed through SPRBs comply with the state prevailing wage law; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2692, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2692, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Espero, Taniguchi.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Caldwell, Karamatsu, Wakai, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Karamatsu).

Conf. Com. Rep. No. 206 on H.B. No. 2153

The purpose of this bill is to provide needed medical services to the people of West Maui by appropriating funds to the Hawaii Health Systems Corporation to contract with a private health provider to provide after-hours outpatient urgent and extended medical care in West Maui.

This bill also improves the safety of our elderly and disabled by requiring that criminal background checks be performed on those people having access to health care facilities and the people being cared for by health care providers.

Your Committees on Conference has amended this bill by:

- (1) Deleting the provisions that required criminal background checks on health care workers;
- (2) Inserting an appropriation of \$300,000;
- (3) Removing the stipulation that the after hours emergency and extended care would begin after 8:00 p.m.;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2153, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2153, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Hanabusa, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

Representatives Arakaki, Magaoay, Tanaka, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 207 on H.B. No. 3116

The purpose of this bill is to ensure adequate medical care to all children in Hawaii by establishing a public-private partnership with a mutual benefit society to split the cost of medical insurance for children between the ages of 31 days to 18 years of age.

Your Committee on Conference has amended this bill by inserting an appropriation of \$600,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3116, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3116, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Tsutsui, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Trimble).

Representatives Arakaki, Sonson, Kawakami, Green, Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 208 on H.B. No. 3056

The purpose of this bill is to restore and rehabilitate the resources of Kawai Nui Marsh (Marsh) in Kailua, Oahu, by resolving the long-standing dispute between the State and the City and County of Honolulu (City) with respect to management responsibilities of the Marsh lands. Among other things, this bill:

- (1) Clarifies the specific parcels to be transferred from the City to the State to enable the State to meet its responsibilities to preserve wetlands within the Marsh;
- (2) Requires the transfer to be completed by September 1, 2006; and
- (3) Appropriates an unspecified sum to the Department of Land and Natural Resources to maintain the Marsh.

Your Committee on Conference finds that the fragile ecosystem of the Marsh is in need of immediate attention to perpetuate this ecological treasure. After meaningful discussions, your Committee on Conference has amended this bill by, among other things:

- (1) Having the State retain title to Parcel 1 of Tax Map Key number 4-2-16, less the flood control levee system which shall be vested in the City;
- (2) Statutorily transferring the parcels and requiring the transfer documents to be completed by July 1, 2007;
- (3) Specifying that the State is not required to maintain any flood control program relating to the Marsh; and
- (4) Appropriating:
 - (A) \$110,000 for the City to maintain and operate portions of the Marsh; and
 - (B) \$40,000 for community organizations supporting existing cultural and ecological programs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3056, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3056, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Ige, Taniguchi, English, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, 1 (Ige). Excused, 1 (Slom).

Representatives Kanoho, Chong, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 209 on H.B. No. 2109

The purpose of this bill is to ensure the coordination and development of fetal alcohol spectrum disorder information, education, policies, and support services statewide by establishing a state fetal alcohol spectrum disorder coordinator position within the Department of Health's Family Health Services division.

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

- (1) Inserting an appropriation of \$100,000;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2109, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2109, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Nishimoto, Halford.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 210 on H.B. No. 1867

The purpose of this bill is to protect the health and well-being of injured workers by:

- (1) Establishing that, when a dispute exists between an injured employee and the employer or employer's insurer regarding whether medical services should be continued, the injured employee shall continue to receive medical services until the Director of Labor and Industrial Relations (Director) issues a decision on whether the injured employee's medical treatment should be continued; and
- (2) Preventing an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's Temporary Total Disability (TTD) benefits until a decision is rendered by the Director.

Your Committee on Conference finds that injured employees are sometimes left without medical care in workers' compensation cases while waiting for a decision to be rendered on their medical services benefits. The interruption in medical treatment may cause

undue delays in the injured employees' recovery from work injuries. In some cases, the delay in treatment may even exacerbate and permanently aggravate the work-related injuries.

Your Committee on Conference finds that receipt of uninterrupted medical treatment is of particular importance and will allow an injured employee to return to work in a more timely manner.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Removing the provision that prevents an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's TTD benefits until a decision is rendered by the Director;
- (2) Inserting language that requires the Director to designate the date after which medical services for a treatment plan are denied should the Director determine that medical services should have been discontinued;
- (3) Allowing an employer or employer's insurer to recover from the claimant's personal health care provider or other appropriate occupation or non-occupational insurer all sums paid for medical services rendered after the date designated by the Director for which medical services should have been discontinued;
- (4) Prohibiting a claimant from being charged for disallowed services;
- (5) Changing the effective date to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1867, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1867, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Herkes, Nakasone, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 211 on S.B. No. 218

The purpose of this bill is to appropriate funds to the Department of Health to establish a training stipend program for emergency medical technicians to enroll in a mobile intensive care technician training program.

This bill will help to alleviate the shortage of mobile intensive care technicians in Hawaii by assisting emergency medical technicians who want to advance in their career through a state-qualified mobile intensive care technician training program.

Your Committee on Conference amended this bill by adding in the appropriation amount of \$300,000 and by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 218, S.D. 4, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 218, S.D. 4, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Chun Oakland, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Yamane, Carroll, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 212 on S.B. No. 2630

The purpose of this measure is to appropriate funds for the maintenance and operations of developmental disabilities domiciliary homes and apartment complexes.

This measure will provide for the continued operation of these high-quality, community-based residential services for individuals with developmental disabilities.

Your Committee on Conference has amended this measure by:

- (1) Providing for an appropriation in the amount of \$1,200,000;
- (2) Making the measure effective on July 1, 2006; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2630, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2630, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Whalen).

Representatives Arakaki, Sonson, Kawakami, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 213 on S.B. No. 3009

The purpose of this measure is to allow for the change in status of positions that are statutorily exempt from civil service to civil service positions in order to conform to the intent of Act 253, Session Laws of Hawaii 2000.

This measure also:

- (1) Repeals the provision of Act 88, SLH 2001, that required civil service positions of the Hawaii public employees health fund, upon being vacated after July 1, 2003, to become civil service exempt positions;
- (2) Requires and provides parameters for the Department of Human Resources Development (DHRD) to work collaboratively with the Hawaii Government Employees Association to establish a logical, workable, and fair process for converting civil service exempt positions to civil service positions;
- (3) Allows an exempt employee who has occupied the exempt position for at least one year the option to remain an exempt employee upon the position's conversion;
- (4) Requires an exempt employee who has occupied the position for at least one year to be appointed to a civil service position upon its conversion; provided that the employees compensation will be determined according to the applicable collective bargaining agreement without a loss of benefits; and
- (5) Requires the DHRD to submit annual reports to the Legislature on converted civil service positions.

Pursuant Act 253, SLH 2000, the Legislature sought to reduce the number of civil service exempt employees in public service within the State. Within the Act, the DHRD was tasked with annually reporting to the Legislature on the number of civil service exempt employees and on recommendations regarding the necessity of changing the status of those positions. Despite the edict of the Legislature, the conversion of civil service exempt positions since Act 253 was enacted have been few and are long overdue. The conversion of civil service exempt positions to civil service positions is necessary to support a system of fairness within the government. Many civil service exempt employees perform the same duties and functions as civil service employees and have devoted their entire careers to public service, yet they lack the same types of benefits and protections afforded their civil service counterparts. Your Committee on Conference believes that this measure will demonstrate the Legislature's continued efforts in promoting and preserving the intents and purposes of the civil service system.

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

- (1) Removing the amendment to section 269-3, Hawaii Revised Statutes, as this matter is being addressed by another measure;
- (2) Amending the language of Section 21 of the measure to specify that an exempt employee whose positions has been converted shall be appointed to the civil service position; provided that the employee meets the minimum qualification requirements and any other applicable public employment requirements; and
- (3) Including an appropriation in the amount of \$110,064 for two personnel management specialist V positions for DHRD for fiscal year 2006-2007 for the purposes of the Act;
- (4) Changing the effective date of the Act to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3009, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 214 on S.B. No. 3101

The purpose of this measure is to develop a comprehensive system of early childhood learning services by refining the recommendations of the Temporary Early Childhood Education task force.

Your Committee on Conference finds that children are born ready-to-learn, with minds that are shaped significantly by experiences and environments they are exposed to in the first five years of life. As such, early learning programs should meet professionally-accepted standards, be staffed by well-trained, appropriately-compensated educators, reflect the cultural needs and diversity unique to Hawaii, and be available to all children who are newly born until they enter kindergarten. To achieve these ends, this measure establishes and appropriates funds for an early learning educational task force, and builds upon the existing framework and services for early childhood learning.

Your Committee has amended this measure by:

- (1) Omitting reference to a quality assurance working group within the early learning educational task force;
- (2) Renaming and amending the duties of the interdepartmental resources working group;
- (3) Enhancing the description of the early learning system plan, which shall be a five-year plan and include a financing schedule;
- (4) Amending task force membership;
- (5) Delineating interdepartmental resources working group membership;
- (6) Having the early childhood educational specialist report to the superintendent of education; and
- (7) Amending appropriation amounts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3101, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3101, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Chun Oakland, Taniguchi, Tsutsui.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Takumi, Caldwell, Takamine, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 215 on S.B. No. 2980

The original purpose of this measure was to appropriate funds to increase the number of public high schools participating in the Construction Academy training program, which allows high school students to take classes in various construction trades and earn credit towards an associate degree at an affiliated community college.

Your Committee on Conference finds that the construction academy model represents a unique educational approach and a paradigm shift in content delivery, and provides an educational continuum whereby the community colleges and the Department of Education closely partner with each other to teach dual credit courses in the high schools. Your Committee on Conference has amended this measure to codify the Construction Academy into statute by establishing it in a new part to be added to chapter 305 of the Hawaii Revised Statutes; and to require the Office of the Vice President for Community Colleges to report to the Legislature annually on the status of the program.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2980, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2980, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hee, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hee).

Representatives Caldwell, Waters, Takumi, Nakasone, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Takumi, Ching).

Conf. Com. Rep. No. 216 on S.B. No. 3197

The purpose of this measure is to set and provide moneys for substitute teacher classification and compensation rates that are consistent with those determined by the legislature in 1996, and with the recommendations of the Department of Education (DOE).

The intent of this measure is to provide relief to Hawaii's substitute teachers while the long-standing dispute in *Garner v. Doe* (Civil No. 03-1-000305) and *Klitternick v. Hamamoto* (Civil No. 05-1-0031-01) is being litigated. These lawsuits were filed in 2000, and have been the source of contentious dispute between substitute teachers and the DOE. On December 16, 2005, Judge Karen Ahn ruled that the DOE failed to pay substitute teachers a per diem salary based upon the 1996 formula enacted by the Legislature. The Attorney General intends to appeal both lawsuits, potentially extending the length of this dispute to nearly a decade.

Your Committee on Conference finds that substitute teachers play an integral role in Hawaii's public education system. On any given day, about 1,000 substitute teachers fill in for approximately 12,000 regular, full-time teachers. Similar to Act 70, Session Laws of Hawaii 2005, this measure provides an interim pay rate for substitute teachers until *Garner v. Doe* and *Klitternick v. Hamamoto* are resolved. At that time, this Committee urges the Legislature to make appropriate adjustments, including retroactive pay adjustments, to substitute teacher pay in accord with the appellate court's final ruling.

Your Committee on Conference has amended this measure to omit all references to the measure as a vehicle to settle the on-going civil litigation between the DOE and plaintiff substitute teachers, and to insert dollar amounts in the pay scale.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3197, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3197, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Kanno, Nishihara, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

Representatives Takumi, Caldwell, Luke, Takamine, Finnegan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 217 on S.B. No. 3059

The purpose of this measure is to develop and maintain a model curriculum to assist teachers in meeting the Hawaii performance standards as required by the federal No Child Left Behind Act of 2001.

Your Committee on Conference finds that the intent of this measure is to give school complexes the flexibility to select and adopt a standards-based curriculum that best meets their needs, and that the measure would be more effective if it enabled school complexes to develop and maintain an articulated and aligned standards-based curriculum to support teachers in helping all students to meet the Hawaii Content and Performance Standards.

Your Committee on Conference further finds that the initial phase in the development of an articulated and aligned curriculum is to:

- (1) Identify the criteria that schools and complexes must follow in developing and implementing a standards-based curriculum;
- (2) Provide support to schools in implementing the curriculum; and
- (3) Ensure that schools have the assessment tools to monitor student progress.

Your Committee on Conference has amended this measure by:

- (1) Allowing school complexes to develop an articulated and aligned curriculum in one or more of the core content areas;
- (2) Requiring school complexes to provide professional development;
- (3) Requiring standards-based formative assessments;
- (4) Requiring rigorous classroom performance-based assessments;

- (5) Allowing complexes to implement software programs to align school course material with the Hawaii Content and Performance Standards; and
- (6) Requiring the Department of Education to submit an additional report to the Legislature.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3059, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3059, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Takumi, Takamine, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 218 on S.B. No. 3195

The purpose of this measure is to ensure that public schools receive the funds they need to provide quality education to Hawaii's students.

Specifically, this measure appropriates funds for:

- (1) A weighted student formula conversion program to provide supplementary funds to help ease schools' transition into the new spending method under the weighted student formula;
- (2) Classroom supplies;
- (3) Textbooks;
- (4) Resources to guide students on their path to higher education;
- (5) Special education needs;
- (6) English as second language services; and
- (7) Information technology needs.

Your Committee on Conference finds that \$20,000,000 has been appropriated this year for schools to ease the transition to the weighted student formula spending method, and that an educational need that remains to be addressed is the teacher shortage in Hawaii. Your Committee further finds that students may be guided on the path toward higher education and toward careers in education through programs like the Hawaii Teacher Cadet program, and that the Department of Education should receive an appropriation to supplement teacher training and support in the manner that best suits its needs.

Your Committee on Conference has amended this measure by replacing most of the appropriation provisions of House Draft 2 with an appropriation for the Department of Education to address the teacher shortage in Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3195, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3195, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Fukunaga, Hooser, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

Representatives Takumi, Takamine, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 219 on S.B. No. 3273

The purpose of this measure is to improve the process by which public school students are assessed and treated for substance abuse.

Specifically, this measure:

- (1) Makes the zero tolerance policy for public schools, as amended by Act 213, permanent;

- (2) Further amends the public school zero tolerance policy for drugs and alcohol as recommended by the student substance abuse assessment and treatment advisory task force; and
- (3) Allows certified substance abuse counselors to conduct assessments to qualify individuals for substance abuse-related insurance benefits.

Your Committee on Conference finds that although minimum insurance benefits for substance abuse treatment are statutorily required, insurers lack a sufficient number of providers to conduct the substance abuse assessments necessary to qualify individuals for covered services. Your Committee further finds that this is of particular concern in the case of children facing substance abuse-related school discipline under the zero tolerance policy.

Your Committee has amended this measure by making the effective date July 1, 2006, provided that section 4 of the measure, which amends Act 213, Session Laws of Hawaii 2005, shall take effect on June 29, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3273, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3273, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Baker, Hanabusa, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

Representatives Takumi, Arakaki, B. Oshiro, Chong, Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 220 on S.B. No. 2076

The purpose of the measure is to encourage lessors of residential real properties to sell their fee simple interest by providing an incentive in the form of an income tax exemption for one hundred per cent of the gain realized from the sale.

Your Committee finds that the exclusion of a portion of the capital gain from the sale of leased fee interests to lessees would provide fee owners with the proper incentive to sell that interest in their real property.

Your Committee has amended the measure to:

- (1) Set a cap of \$800,000 in the aggregate for all taxpayers in the State in any tax year on the amount of capital gain tax exclusion;
- (2) Amend the sunset date to January 1, 2009; and
- (3) Change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2076, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Kokubun, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

Representatives Kahikina, Herkes, Nishimoto, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 221 on S.B. No. 2190

The purpose of this measure is to make adjustments to both contributions and benefits for unemployment insurance by providing temporary relief to employers by lowering the maximum taxable wage base for calendar year 2007 and increasing unemployment benefits for eligible individuals. This measure also excludes the payment of benefits to individuals terminated from employment as a result of willful or wanton misconduct.

Your Committee on Conference finds that relief to both employers and unemployed workers in the face of a reported balance of \$457 million in the Unemployment Trust Fund is warranted and a fair approach to the interest of both sides of the unemployment system. This measure strikes an appropriate balance between providing eligible unemployed individuals increased benefits, while equitably providing tax relief to employers. Your Committee on Conference further determines that, in the interest of protecting

unemployed individuals and preserving the integrity of the system, a clear policy should be established regarding the denial of benefits for individuals terminated only for misconduct that rises to the level of willful or wanton misconduct.

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

- (1) Clarifying the application of the adjustment in benefits by:
 - (a) Increasing the threshold for deducting wages earned in a benefit week to \$150 for weeks beginning July 2, 2006; and
 - (b) Increasing the maximum potential benefits paid to an eligible individual to thirty times the individual's weekly benefit amount for years beginning January 1, 2006;
- (2) Increasing by one year the relief provided to employers;
- (3) Including portions of the rules with respect to excluding benefits to employees terminated for willful or wanton misconduct; and
- (4) Changing the effective date of the Act to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2190, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2190, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero, Menor, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, 1 (Hemmings). Excused, 1 (Menor).

Representatives Caldwell, Takamine, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 222 on S.B. No. 2708

The purpose of this measure is to extend the duration for one year of the School Impact Fee working group established by Act 246, Session Laws of Hawaii 2005, to require a legislative report from the working group, and to make an appropriation for working group operations.

Your Committee on Conference is adopting the Senate Draft 2 version of this measure and has amended it to include an appropriation of \$25,000 per the request from the Auditor.

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

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Menor, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Takamine, Takumi, Ching, Chong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 223 on S.B. No. 2719

The purpose of this bill is to improve Hawaii's charter school system by adopting many of the priority proposals developed by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. Among other things, this bill:

- (1) Provides consistency and clarity for statutes relating to the administration and governance of charter schools by recodifying and reorganizing the statutes into a new chapter;
- (2) Renames the Charter School Review Panel as the Charter School Oversight Panel, and more clearly specifies its powers;
- (3) Changes the limit on the number of charter schools that may be established;
- (4) Creates clarity in the establishment of start-up and conversion charter schools;

- (5) Enhances and clarifies the powers and duties of the Charter School Administrative Office (CSAO) and its executive director;
- (6) Clarifies civil service provisions for charter school employees; and
- (7) Clarifies collective bargaining provisions for charter school employees.

Upon careful consideration, your Committee on Conference has amended this bill by substituting the language in this bill with the language of companion bill H.B. No. 2962, S.D. 1, and further amending the bill by:

- (1) Expanding the charter school review panel's (Panel's) membership and duties, rather than renaming it "charter school oversight panel", as follows:
 - (a) Relating to composition, including:
 - (1) Requiring representation from start-up charter schools and conversion charter schools on the Panel;
 - (2) No longer requiring BOE to appoint Panel members from a list of qualified nominees;
 - (3) Stipulating that the terms of appointed Panel members begin July 1;
 - (4) Clarifying that two appointed members, rather than one, serve an initial term of one year;
 - (5) Allowing BOE to add and replace Panel members whenever positions become vacant;
 - (6) Providing for the designation of the chair of the Panel for each school year and whenever there is a vacancy;
 - (b) Relating to responsibilities and operations, including:
 - (1) Amending the definition of "charter school review panel";
 - (2) Requiring the Panel to be accountable to and report to BOE;
 - (3) Limiting the Panel's functions to reviewing, recommending, and evaluating;
 - (4) Specifying that if BOE does not issue or deny a charter, approve or deny significant amendments to detailed implementation plans, or take action on recommendations for charter school probation or charter revocation, within 60 calendar days of receipt, the Panel's recommendations on such shall automatically become effective;
 - (5) Requiring BOE to adopt rules for an appeals process in the case that the Panel decides not to recommend the issuance of a new charter, or to recommend significant amendments to detailed implementation plans;
 - (5) Requiring BOE to provide for the staff support and expenses of the Panel;
 - (6) Removing the authorization for the Panel to adopt administrative rules;
 - (7) Removing the conditions for the Panel's exemption from the Sunshine Law, or Chapter 92, Hawaii Revised Statutes (HRS);
- (2) Designating the Board of Education (BOE) as the charter authorizer and clarifying the associated responsibilities, including, in addition to those already mentioned:
 - (a) Implementation of Panel recommendations, if BOE concurs, unless it does not act upon the recommendations within a certain period of time;
 - (b) Reporting to the Legislature;
- (3) Changing the definition of "detailed implementation plan" to mean the document that details a charter school's purpose, focus, operations, organization, finances, and accountability, and becomes the basis for a performance contract between BOE and the charter school;
- (4) Allowing one new start-up charter school to be authorized for each existing start-up, but not conversion charter school, that has received a certain accreditation or for each start-up charter school whose charter is revoked, and setting a limit of 25 conversion charter schools;
- (5) Changing the start-up and conversion charter school application process, including:
 - (a) Removing specific deadlines and stipulations for the detailed process, and instead requiring BOE to determine the schedule and provisions;
 - (b) Removing provisions for the issuance of provisional approval of a charter;

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- (c) Requiring that upon approval of a start-up or conversion charter school, CSAO shall submit to BOE a proposed budget for its funding;
 - (6) Changing the requirements that local school boards must adhere to as a condition of their exemption from Chapter 92, HRS, including:
 - (a) Requiring local school boards to make available only the notices and agendas of public meetings;
 - (b) Removing specific instructions regarding internal procedures; and
 - (c) Requiring local school boards to make available the minutes from public meetings on a timely basis;
 - (7) Changing the responsibilities of the CSAO and its executive director, including:
 - (a) No longer requiring the executive director to communicate BOE's positions, policies, and view on charter schools to policy makers, charter schools, and the public;
 - (b) Requiring the executive director to take on additional functions as follows:
 - (1) Provide guidance and assistance to charter applicants and charter schools in various capacities;
 - (2) Assist BOE in coordinations with charter schools in BOE investigations and evaluations of charter schools; and
 - (3) Serve as the communicator between charter schools and BOE and the Department of Education (DOE);
 - (c) Requiring the executive director to be evaluated annually by BOE only;
 - (d) Requiring CSAO to withhold funds for charter school enrollments that are inconsistent with approved detailed implementation plans, and to repay overpayments or over-allocations received by charter schools when not repaid in a timely manner; and
 - (8) Further clarifying the civil service provisions for employees of DOE schools that become conversion charter schools and employees of conversion charter schools;
 - (9) Clarifying that licensed charter school teachers, as determined by the Hawaii Teacher Standards Board, who are not yet tenured and are entering or returning to DOE after employment at a charter school, are subject to no more than one year of probation;
 - (10) Authorizing BOE to make adjustments in per-pupil allocations;
 - (11) Allowing a nonprofit organization that governs more than one conversion charter school to cast one vote representing each school it governs;
 - (12) Clarifying that funds for charter schools through DOE's weighted student formula shall be transferred by DOE to CSAO for distribution to the charter schools;
 - (13) Requiring annual self-evaluations from the charter schools to be submitted to BOE, requiring BOE to conduct multi-year evaluations of certain charter schools, and allowing BOE to conduct special evaluations of charter schools at any time;
 - (14) Authorizing BOE to place a charter school on probationary status, provided that among other things:
 - (a) The Panel evaluates the charter school or review an evaluation of the charter school and makes recommendations to BOE; and
 - (b) BOE and CSAO are involved in substantive discussions with the charter school regarding the areas of deficiencies;
 - (15) After a decision to revoke its charter, allowing a charter school to remain open until a plan for an orderly shut-down and transfer of students and assets is developed and executed, or until the school year ends, whichever comes first, unless there is an immediate concern for student or employee health or safety, in which case BOE may adopt an interim restructuring plan;
 - (16) Requiring BOE to adopt rules pursuant to chapter 91 for placing charter schools on probation and for revoking a charter;
 - (17) Adding a provision for assault in the second degree on charter school employees;
 - (18) Removing the \$200,000 appropriation for BOE to carry out its duties relating to charter schools;
 - (19) Inserting provisions to allow the State to enter into long-term leases of lands and buildings with charter schools for the location of school facilities;
 - (20) Changing the effective date to upon approval; and

- (21) Making technical, nonsubstantive changes for clarity, consistency, and style, including renumbering the sections of chapter 302B as needed.

Your Committee on Conference respectfully urges BOE to adopt rules in an expeditious manner to ensure efficient implementation of the provisions of this bill for the improvement of Hawaii's charter school system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2719, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2719, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kanno, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Takumi, Takamine, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 224 on H.B. No. 3105

The purpose of this bill is to improve access to psychotropic medication for participants in all Hawaii medicaid medical plans by expanding to QUEST health plans, the prohibition on restrictions placed on psychotropic medications.

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

- (1) Deleting the pre-authorization exemption for the provision of psychotropic medications to a person in need of emergency psychiatric or psychological service, as this service is covered by a provision which remains in the bill;
- (2) Requiring the Department of Human Services to report annually to the Legislature on the effectiveness of this Act;
- (4) Applying the sunset date only to QUEST medical plans; and
- (5) Extending the sunset date to 2008; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Taniguchi, Fukunaga, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Sonson, Herkes, Luke, Yamane, Green, Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 2 (Herkes, Luke).

Conf. Com. Rep. No. 225 on H.B. No. 3142

The purpose of this bill is to ensure the availability of quality, critical trauma care in our state by establishing a Trauma System Special Fund (Special Fund) with a dedicated source of revenue to support the continuing development and operation of a comprehensive state trauma system.

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

- (1) Defining "comprehensive state trauma system," "hospitals providing care to trauma patients," and "trauma care;"
- (2) Removing the increase on state registration fees for automobiles, the proceeds from which would have been placed into the Special Fund;
- (3) Directing the Department of Health (DOH) to convene ad hoc committees to advise the department on all matters related to trauma care;
- (4) Deleting the appropriation from the Special Fund; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3142, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3142, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Whalen).

Representatives Arakaki, Nishimoto, Finnegan, Green.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 226 on H.B. No. 2961

The purpose of this bill is to enhance the health and welfare of Hawaii's public school children by establishing a federal revenue maximization revolving fund to collect and disburse funds for Medicaid-eligible health services provided to public school children.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the program's name as the "Department of Education Federal Revenue Maximization Program" (Program) and renaming the revolving fund to "Department of Education Federal Revenue Maximization Program Revolving Fund" (Revolving Fund);
- (2) Clarifying that moneys from the Revolving Fund shall also be expended by the Department of Education (DOE) for administrative costs related to the Program;
- (3) Making conforming amendments that exempt DOE from the requirement that federal reimbursements for federally-funded state programs be deposited into the State's Interagency Federal Revenue Maximization Revolving Fund;
- (4) Appropriating \$2,000,000 out of the Revolving Fund for Medicaid-eligible services provided by DOE and administrative costs related to the Program; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2961, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2961, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Ige, Taniguchi, Nishihara, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Takamine, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 227 on H.B. No. 2558

The purpose of this bill is to encourage employees who have suffered work-related injuries to return to work by authorizing the Director of Labor and Industrial Relations (Director) to refer, for vocational rehabilitation, those employees who are unable to return to their regular jobs upon medical stabilization and who have not been offered permanent suitable work that is comparable in earnings to their former jobs.

Your Committee on Conference notes that existing laws allow employees who have suffered a permanent disability as a result of work injuries to be referred by the Director for vocational rehabilitation services. Existing laws are not clear on whether employees who are restricted in their daily living and working activities as a result of their work related injuries are eligible for vocational rehabilitation.

Your Committee on Conference believes that limiting the Director's referrals for vocational rehabilitation to employees who have suffered a permanent disability would be contrary to the intent of this legislation. The recuperative process following a work injury should not only include healing from the physical effects of the injury itself, but also assisting injured workers to reintegrate into the workforce in a timely manner.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2558, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2558, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Chun Oakland, Taniguchi.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Chun Oakland).

Representatives Caldwell, Nakasone, Stevens.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 228 on H.B. No. 2947

The purpose of this bill is to improve workforce development by:

- (1) Increasing the amount of federal Reed Act funds previously appropriated out of the Unemployment Insurance Trust Fund for fiscal year 2006-2007 under Act 249, Session Laws of Hawaii 2005 (Act 249);
- (2) Specifying that funds appropriated shall be allocated to the counties;
- (3) Requiring that the counties work in collaboration with the workforce investment boards of each county;
- (2) Repealing the requirement under Act 249 that allocations of the funds must first be made to the workforce investment boards before they can be made to the Department of Labor and Industrial Relations (DLIR); and
- (3) Repealing the requirement that the allotment system is inapplicable to the allocation of the funds.

Last year, the Governor did not properly veto S.B. No. 813 and this legislation became Act 249, Session Laws of Hawaii 2005. This law appropriated approximately double what the Administration wanted to appropriate to the counties for workforce development. Despite the severability language contained in the law, the Administration has refused to release any of this money to the counties.

Your Committee on Conference finds that the funds are needed for workforce development. Appropriating funds to the workforce investment boards and requiring the boards to work in collaboration with their respective counties will go a long way toward effectively addressing Hawaii's workforce development issues.

While your Committee on Conference strongly believes that Act 249 correctly and legitimately took effect by operation of law, your Committee on Conference is aware that the legitimacy of Act 249 is still in dispute.

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

- (1) Inserting a purpose section;
- (2) Inserting language conforming state statute to federal law to allow the use of Reed Act funds distributed in 2002 to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices;
- (3) Allocating \$9,800,000, rather than \$10,000,000, of the \$31,000,000 in Reed Act funds to provide additional funding to the county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building;
- (4) Specifying that the appropriated funds be allocated to the workforce investment boards which shall work in collaboration with their respective counties;
- (5) Adjusting the amounts allocated to each workforce investment board;
- (6) Deleting funds appropriated to DLIR to plan, develop, and implement a computer system that benefits workforce development activities and programs operated by the counties;
- (7) Allocating \$200,000 to DLIR to be used by the Workforce Development Council (Council) for the funding of positions to identify additional funds and resources to support state-wide workforce development activities, with the goal of being self sufficient;
- (8) Requiring each workforce investment board to submit a workforce development plan to the Council for approval prior to the release of funds by DLIR;
- (9) Inserting language repealing Act 249; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2947, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2947, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Caldwell, Nakasone, Pine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 229 on H.B. No. 3244

The purpose of this measure is to protect Hawaii's citizens from identity theft by:

- (1) Changing the name of the Hawaii Anti-Phishing Task Force to the Identity Theft Task Force (Task Force);
- (2) Extending the life of the Task Force to December 31, 2007;
- (3) Expanding Task Force responsibilities from prevention of electronic commerce-based crimes to prevention of identity theft;
- (4) Adding additional members to the Task Force;
- (5) Providing that the Auditor rather than the Attorney General (AG) is to provide research and support services to the Task Force and appropriating funds for this purpose; and
- (6) Appropriating funds to the AG to develop a uniform system of tracking identity theft crimes, fund community outreach about identity theft, and investigate the nexus between methamphetamine use and identity theft.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the state. Its recommendations focused primarily on providing better law enforcement tools to prosecute identity theft, and determining how to better protect personal information contained in public records. In the course of its discussions, the Task Force recognized that it needed to broaden its focus from phishing scams to the more pervasive problem of identity theft, and determined that identity theft was a more serious problem than was previously recognized.

Your Committee on Conference has amended this measure to:

- (1) Change the Task Force membership by:
 - (A) Removing the Consumer Data Industry Association representative;
 - (B) Adding two members to represent consumer and business organizations; and
 - (C) Removing the requirement that members of the Hawaii Senate and House of Representatives be appointed to the Task Force;
- (2) Require the Task Force to:
 - (A) Consider protections for records of both state and county government agencies in Hawaii;
 - (B) Establish a timetable for the removal of personal identifying information from public records in Hawaii;
 - (C) Review the current practices of other jurisdictions associated with the use and disclosure of government records containing social security numbers;
 - (D) Review the current volume of these government records and likely future increase or decrease in the volume of these records; and
 - (E) Review the practicability of any proposed mandatory redaction for certain types of records or documents, and its impact on resources needed to implement the redaction;
- (3) Require the Task Force to identify and recommend solutions to social security number protection issues, including the sale, lease, trade, rent, or otherwise intentional release of an individual's social security number to a third party;
- (4) Insert a specific appropriation to the Auditor for research and support services, of \$50,000;
- (5) Insert a specific appropriation to the AG for the development of a uniform system of tracking identity theft crimes, of \$50,000;

- (6) Delete the appropriation to the AG for community outreach about identity theft;
- (7) Delete the appropriation to the AG for a study on the nexus between methamphetamine use and identity theft; and
- (8) Make nonsubstantive, technical amendments for style and consistency.

Your Committee on Conference finds that the amendments and appropriations made by this bill will allow the Task Force to make more comprehensive and effective recommendations on how the State can better protect Hawaii's citizens from identity theft, and enable the AG to compile information about identity theft crimes that may be used to further enhance these protections.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3244, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3244, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Menor, Hanabusa, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Herkes, Luke, Chong, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Luke).

Conf. Com. Rep. No. 230 on H.B. No. 970

The purpose of this bill is to provide emergency appropriations for the damage and destruction caused in the state by heavy rains and flooding in February and March 2006.

Your Committee on Conference finds that Governor's Message No. 260, requesting new funding totaling \$50 million, was received by the Legislature on the 49th legislative day, following the 2nd Crossover deadline. The extremely late submittal of this information, 11 legislative days prior to Sine Die, has not provided the respective subject matter committees the opportunity to adequately consider the requests contained in this measure. However, your Committee remains responsive to the devastating effects of the heavy rains on our communities. Funds from the emergency and budget reserve fund (EBRF) are authorized in this measure where costs were directly attributable to rain damage caused by the unforeseen weather and could not be completely accounted for.

It is the intent of your Committee on Conference to have the administration report to the Legislature on the use of these funds, the amount spent, and the purpose for the expenditures. Once those expenditures are justified, your Committee on Conference envisions an appropriation made from the general fund into the EBRF.

Your Committee on Conference has amended this measure by:

- (1) Specifying, clarifying, deleting, and adding the provisions that will receive appropriations;
- (2) Adding appropriation amounts;
- (3) Requiring the Governor to report on the uses of all funds appropriated by this bill; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 970, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 970, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Fukunaga, Inouye, Tsutsui, Hemmings.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Chong, Tanaka, Waters, Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 231 on H.B. No. 2175

The purpose of this measure is to provide a comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

Specifically, this measure:

- (1) Increases renewable energy technology tax credits for certain energy systems and removes the tax credit's January 1, 2008, sunset date;
- (2) Authorizes the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;
- (3) Updates the State's energy policy to promote state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
- (4) Requires the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and to make recommendations on how and when to conduct periodic energy audits;
- (5) Authorizes the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (6) Appropriates funds to hire a full-time energy-efficiency coordinator position to address energy efficiency in Department of Education facilities;
- (7) Requires the counties to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (8) Requires the Public Utilities Commission to implement a "pay as you save" pilot program to help residents purchase energy-efficient solar hot water heater systems; and
- (9) Establishes a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and appropriate funds for the hydrogen program and the special fund.

This is one of two omnibus energy package bills; the other bill is S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1. The contents of the two bills were divided between this measure and S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, after agreement by your Committee on Conference. Your Committee on Conference has amended this measure by, among other things:

- (1) Deleting certain sections that are present in S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, relating to:
 - (A) The renewable energy technology tax credits;
 - (B) The "pay as you save" pilot program; and
 - (C) The Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and the appropriations for the hydrogen program and the special fund;
- (2) Deleting all general obligation bonds appropriations language and appropriating general funds of:
 - (A) \$500,000 to the Department of Business, Economic Development, and Tourism (DBEDT) for energy-efficiency initiatives for state facilities and equipment;
 - (B) \$5,000,000 to the Department of Education (DOE) for the development and implementation of a photovoltaic, net energy metered pilot project in public schools;
 - (C) \$65,000 to DOE for the establishment of a full-time energy coordinator position within DOE; and
 - (D) \$130,000 to DBEDT for the establishment of two full-time energy coordinator positions within DBEDT;
- (3) Accelerating the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (4) With regard to buildings and facilities, requiring each agency to design and construct buildings meeting the Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, except when the guideline, standard, or system interferes or conflicts with the use of the building or facility as an emergency shelter;
- (5) Defining "energy and environmental design building standards" to mean Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system;
- (6) Making the measure effective upon approval; provided that sections 2, 3, 10, 12, and 13 shall take effect on July 1, 2006; and
- (7) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2175, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Taniguchi, Espero, Kokubun, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Menor).

Representatives Morita, Herkes, Takamine, Ito, Magaoay, Thielen.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 232 on H.B. No. 266

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Specifically, this measure:

- (1) Allows a public employer to negotiate over procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions; and
- (2) Requires negotiations over the impact of transfers, assignments, and layoffs of public employees.

This measure also clarifies the rights of public employees to engage in collective bargaining under chapter 89, Hawaii Revised Statutes, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), and to avoid the invalidation of provisions of collective bargaining agreements in effect on and after July 1, 2005. Specifically, language contained in dicta to the high court's opinion on United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), implied that the right of an employer to manage its business outweighed its duty to negotiate over wages, hours, and conditions of employment. Therefore, while H.R.S. § 89-9 provides that wages, hours, and conditions of employment are indeed mandatory subjects of bargaining, the *UPW v. Hanneman* decision may be read so that employers are not required to bargain over such matters if such negotiations would interfere with management's rights.

Your Committee on Conference finds that such a conclusion, however, would be an incorrect application of the law. Rather, your Committee on Conference finds that H.R.S. § 89-9 provides three different categories of bargaining subjects: (1) excluded bargaining subjects that may not be bargained over, (2) mandatory bargaining subjects that must be bargained over, and (3) permissive bargaining subjects that may be bargained over, upon agreement of both the public employer and the exclusive bargaining representative of its employees.

Additionally, in this context, your Committee on Conference also finds that although a public employer and the exclusive bargaining representative of its employees may not bargain over matters that would affect the management rights of the public employer because such matters are excluded from bargaining, such management rights do not preclude negotiations over mandatory subjects of bargaining.

Therefore, in light of the Hawaii Supreme Court's opinion in *UPW v. Hanneman*, the purpose of this bill is as follows. First, this bill clarifies that management rights and the right to engage in collective bargaining are equal to each other, and that management rights do not preclude negotiations over mandatory subjects of bargaining.

Second, this bill clarifies that management rights may not be used to preclude negotiations over mandatory subjects of bargaining, and at the same time, preserves the rights of a public employer to manage its own operations. Therefore, your Committee on Conference wants to make it clear that this bill is not intended to infringe upon or dilute management rights in any way.

Finally, this bill clarifies that H.R.S. § 89-9 applies during collective bargaining or during negotiations over a memorandum of agreement, memorandum of understanding, or supplemental agreement only, and does not require negotiations over individual promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions. Therefore, this bill preserves management rights in this way as well.

Your Committee on Conference finds that the negotiations over procedures and criteria of promotions, transfers, assignments demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employees have negotiated over these subject matters since 1970. Provisions in collective bargaining agreements in effect on and after July 1, 2005 should not be subject to invalidation by reason of section 89-9(d), Hawaii Revised Statutes.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Clarifying that the provisions of this act shall not be used to invalidate provisions of collective bargaining agreements in effect on or after June 30, 2007, rather than collective bargaining agreements in effect on or after July 1, 2006;
- (2) Authorizing negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions as a permissive subject of bargaining during collective

bargaining negotiations or negotiations over a memorandum of agreement, memorandum of understanding, or other supplemental agreement.

- (3) Deleting the requirement that impacts of transfers, assignments, and layoffs of public employees be negotiated; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 266, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 266, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Hanabusa.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Hanabusa).

Representatives Caldwell, Takamine, Nakasone, Stevens.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 233 on H.B. No. 2179

The purpose of this bill is to provide much-needed improvements to agricultural irrigation systems by:

- (1) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund);
- (2) Establishing a tax credit for matching funds provided by landowners who receive funding from the Special Fund;
- (3) Authorizing and appropriating general obligation bond funds for the Special Fund, provided that the general obligation bond funds are matched by federal funds;
- (4) Appropriating funds for certain, specific irrigation systems; and
- (5) Appropriating funds for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill.

Your Committee on Conference finds that the agricultural industry is an important component of the state's economic and social well-being. This measure provides some of the necessary money and incentives needed to begin repairs and maintenance on irrigation systems statewide.

Your Committee on Conference has amended this measure by:

- (1) Deleting the tax credit;
- (2) Establishing a vocational agricultural education program in the Department of Education and appropriating \$100,000 for this program;
- (3) Replacing the general obligation bond authorization and appropriation for the Special Fund with a general fund appropriation of \$1,500,000, provided that \$1,500,000 in federal funds are also deposited into the Special Fund;
- (4) Changing the appropriation amount out of the Special Fund to \$3,000,000;
- (5) Changing the appropriation amount for the specific irrigation systems to \$11,886,000, to be allocated as follows:
 - (A) \$2,336,000 for the East Kauai Irrigation System;
 - (B) \$500,000 for the Waimanalo Irrigation System;
 - (C) \$2,500,000 for the Molokai Irrigation System;
 - (D) \$4,850,000 for the Waimea Irrigation System; and
 - (E) \$1,700,000 for the Lower Hamakua Irrigation System;
- (6) Changing the expending agency for the appropriation for the specific irrigation systems in item (5) to the Department of Agriculture;
- (7) Deleting the appropriation for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill;

- (8) Deleting the provision naming the bill as the "New Directions for Diversified Agriculture Act"; and
- (9) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee on Conference notes that with the decline of the sugar industry, agricultural lands are returning to a new era of small-diversified agricultural farms. Crops like coffee, macadamia nuts, flowers and foliage, and specialty exotic fruits not only provide fresh produce and flowers to Hawaii's markets but also have become major exports to destinations around the world.

To maintain and expand this growing industry, your Committee on Conference finds that a broad spectrum of skilled and professional workers, from field workers to researchers and from managers to agronomists, are necessary. Accordingly, your Committee on Conference has further amended this measure by directing the Department of Education to establish and administer a comprehensive vocational agriculture education program in the public schools.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2179, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Chang, Takamine, Carroll, Tsuji, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 234 on H.B. No. 2176

The purpose of this bill is to alleviate the burden of Hawaii's affordable housing and homeless crisis by:

- (1) Expanding the use of the State Rent Supplement Program (Program) by authorizing the Hawaii Housing Finance and Development Administration (HHFDA) to use Program funds for project-based operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units;
- (2) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 65 percent;
- (3) Promoting the development of self-help housing by allowing HHFDA to lease parcels of land for \$1 per year for up to 50 years;
- (4) Requiring HHFDA to identify public lands suitable for affordable residential development no later than September 1, 2006, and requiring the state agency having control of those lands to initiate transfer of the lands to HHFDA no later than December 1, 2006;
- (5) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;
- (6) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (7) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

Your Committee on Conference worked toward passing this measure in conjunction with S.B. No. 2958, to provide meaningful relief for Hawaii's residents struggling with skyrocketing home prices and homelessness. Some of the provisions that were in earlier versions of this measure may have been inserted into S.B. No. 2958.

Your Committee on Conference notes that an additional \$5,000,000 would have been awarded through grants-in-aid, but recognizes that a number of worthy nonprofit organizations did not submit requests for grants-in-aid, including the Institute for Human Services, Steadfast Housing, Gregory House, and Housing Solutions, Inc. Your Committee on Conference urges the Hawaii Public Housing Authority to consider such organizations for funding with the \$5,000,000 allocated to them for homeless and transitional housing and homeless services.

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

- (1) Inserting provisions allowing the State and counties to partner with nonprofit organizations to develop temporary emergency shelters;
- (2) Appropriating the following sums as grants-in-aid to the following organizations to provide various homeless services:
 - (a) \$3,200,000 to the counties;
 - (b) \$500,000 to Hawaii Helping the Hungry Have Hope;

- (c) \$690,000 to Kauai Economic Opportunity, Inc.;
 - (d) \$2,100,000 to Ohana Ola O Kahumana;
 - (e) \$599,161 to the Ohana Family of the Living God;
 - (f) \$434,420 to the Victory Ohana Prison Fellowship;
 - (g) \$180,000 to Catholic Charities;
 - (h) \$2,000,000 to Child and Family Service;
 - (i) \$5,000,000 to the Hawaii Coalition of Christian Churches;
 - (j) \$50,000 to the Street Beat, Inc.;
 - (k) \$80,000 to the County of Hawaii Department of Parks and Recreation; and
 - (l) \$5,000,000 to renovate homeless shelters and transitional housing and provide homeless services;
- (3) Changing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) to 50 percent;
- (4) Appropriating the following sums as grants-in-aid to the following organizations for various low-income housing programs and services:
- (a) \$700,000 to the Hawaii Habitat for Humanity Association;
 - (b) \$350,000 to the Nanakuli Housing Corporation;
 - (c) \$225,000 to the Hawaii Homeownership Center; and
 - (d) \$490,000 to Lokahi Pacific;
- (5) Appropriating \$1,500,000 for land acquisition of the Kulana Nani property in Kaneohe, Oahu; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2176, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2176, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Chun Oakland, Espero, Inouye, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

Representatives Kahikina, Nishimoto, Carroll, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 235 on H.B. No. 2966

The purpose of this bill is to further implement the division of the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies, and includes provisions:

- (1) Changing the names of the new agencies to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA);
- (2) Expanding the details of the various programs under HHFDC and HPHA to conform to those under HCDCH and to further clarify the duties of HHFDC and HPHA;
- (3) Appropriating \$1 for each of the following purposes:
 - (a) Purchase equipment for HHFDC;
 - (b) Six full-time equivalent positions for HHFDC, including an executive director and executive assistant position; and
 - (c) Three full-time equivalent positions for HPHA;

and

- (4) Authorizing the issuance of general obligation bonds for renovations to HPHA's School Street Office.

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

- (1) Inserting provisions for the salary for the executive director and executive assistant of HPHA;
- (2) Changing references from "directors" to "members of the board";
- (3) Inserting provisions for HPHA to offer decommissioned housing to organizations or agencies for rehabilitation into emergency or transitional shelter facilities;
- (4) Inserting provisions related to HPHA's powers with regard to the State Sales Housing Program;
- (5) Appropriating \$708,300 for equipment for HHFDC;
- (6) Appropriating \$366,303 for positions for HHFDC;
- (7) Appropriating \$99,427 for positions for HPHA;
- (8) Appropriating \$1,791,700 for renovations to HPHA's School Street office;
- (9) Changing the effective date to July 1, 2006; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2966, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2966, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Kahikina, Nishimoto, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 236 on H.B. No. 3115

The purpose of this measure is to provide Hawaii's gasoline consumers with fair market-related gasoline prices in a local oligopolistic petroleum industry.

Specifically, this measure:

- (1) Amends chapter 486J, Hawaii Revised Statutes, to require additional and more pertinent information to be provided by the petroleum industry, thereby providing more transparency in the petroleum industry;
- (2) Establishes the petroleum industry monitoring, analysis, and reporting program and special fund;
- (3) Suspends the maximum pre-tax wholesale gasoline price provision, while authorizing the Public Utilities Commission to temporarily lift the suspension on a zone-by-zone basis if for two weeks oil companies raise and maintain wholesale gasoline prices above the weekly maximum pre-tax wholesale gasoline price that would have been in effect had it not been suspended;
- (4) During any time that the maximum pre-tax wholesale gasoline price provision is suspended:
 - (A) Requires the gasoline distributors and dealers to continue to provide information and data required by chapter 486J; and
 - (B) Requires the Public Utilities Commission to continue to calculate and publish what the maximum pre-tax wholesale gasoline price would have been had the provision not been suspended;
- (5) Amends section 486H-13, Hawaii Revised Statutes, by:
 - (A) Adding the Singapore spot price weekly average price of conventional regular unleaded gasoline to the baseline price determination, with the lowest three of the four average weekly geographic prices being averaged to determine the state baseline price of regular unleaded gasoline;
 - (B) In the event of a holiday or holidays in a prior week, requiring the Public Utilities Commission to average the prices of the days that were not holidays;

- (C) Eliminating the location adjustment factor;
 - (D) Reducing the marketing margin to 14 cents;
 - (E) Allocating percentages of zone price adjustments in zones 2 through 8 to distributors based upon the different function of the distributors; and
 - (F) Providing for zone price adjustments and allocations of zone price adjustments on a zone by zone basis;
- (6) Makes an appropriation from the general fund into the petroleum industry monitoring, analysis, and reporting special fund and an appropriation from the special fund to establish and maintain the petroleum industry monitoring, analysis, and reporting program; and
- (7) Sets forth and prohibits unfair trade practices by the petroleum industry.

Your Committee finds that the State needs a true and effective system of transparency that ensure that elected officials and the public would have all of the data they need to effectively monitor the pricing schemes and anti-competitive practices of the oil industry. Your Committee recognizes that a major goal of transparency is to raise the curtain of secrecy around industry-pricing practices to deter price-fixing and other anti-competitive practices. This measure would require the industry to report to the Public Utilities Commission sales volumes and the effective date, time, and amount of changes in wholesale prices for gasoline and diesel. Within fourteen days of receipt of this information, the Public Utilities Commission would be required to use the best technology available to publicly disclose the sales and pricing data that the industry reports. The Public Utilities Commission still would keep the industry's legitimately confidential information under seal.

Your Committee has amended this measure by:

- (1) Eliminating the authority of the Public Utilities Commission to temporarily reinstate the maximum wholesale gasoline price if oil companies raise and maintain wholesale gasoline prices above the fair price indicator;
- (2) Giving the governor the authority to reinstate the weekly maximum pre-tax wholesale gasoline price for thirty-days upon the governor's publication of a statewide notice that the reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State;
- (2) Giving the governor the authority, upon reinstatement, to increase the maximum wholesale gasoline price within a zone;
- (3) Repealing section 486H-15, relating to the governor's emergency powers;
- (4) Adding a definition of "conventional gasoline" to section 486H-1;
- (5) Adding the department of business, economic development and tourism to the agencies authorized to examine reports or statements filed pursuant to chapter 486J and to obtain information pertinent to the commission's duties under chapter 486J;
- (6) Establishing the number of full-time staff positions in the commission to implement and maintain the petroleum industry monitoring, analysis, and reporting program; and
- (7) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee finds that Hawaii gasoline prices will not go down to competitive levels without increased transparency and government pressure. Although this measure would allow the oil companies to set prices at whatever levels they want, there must be mechanisms in place, in addition to increased transparency, to ensure that oil companies do not again raise prices artificially high.

The measure would give the governor authority to reinstate the maximum wholesale price ceiling for thirty days upon a published finding that reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State. The governor's reinstatement authority would be triggered when the wholesale price of gasoline went above the fair price indicator. The governor's reinstatement authority also would be triggered when other events or circumstances, such as a natural disaster, justified a finding that temporary reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State.

Your Committee finds that this measure should have the desired effect of providing Hawaii's gasoline consumers with fair market-related gasoline prices, by providing more transparency in the petroleum industry and by giving the governor the authority to reinstate the maximum pre-tax wholesale gasoline price provision in the event that the industry transparency does not result in the desired fair market-related gasoline prices.

In approving this measure, your Committee is doing its best to accommodate the desire of some members of the legislature to put the mandatory price ceiling on hold and to give oil companies greater latitude in setting prices. However, this measure also addresses the belief of consumer advocates and this Committee that the State must have some kind of fallback mechanism in place to authorize the governor to roll back prices should the oil companies resort to raising prices artificially high.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3115, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3115, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Luke, Takamine, Souki, Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 237 on S.B. No. 2956

The purpose of this bill is to provide Hawaii's students with the best environment for learning by ensuring the availability of funds for school operations, construction, repair, and maintenance, and allowing for the effective management of school facility construction.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$160,000,000 for the renovation of classrooms statewide in the Department of Education (DOE);
- (2) Authorizing the issuance of \$40,000,000 in general obligation bonds for repair and maintenance of DOE school facilities, to be deposited into the State Educational Facilities Special Fund (SEFI), rather than \$50,000,000 in general obligation bonds for DOE capital improvement projects;
- (3) Inserting an appropriation of \$40,000,000 out of SEFI for repair and maintenance of DOE school facilities;
- (4) Changing from \$100,000,000 to \$35,000,000 the appropriation for repair and maintenance of DOE school facilities;
- (5) Deleting the appropriation for DOE operations;
- (6) Removing provisions for the establishment of the New School Construction Special Fund;
- (7) Removing the authorization for DOE to independently issue certificates of participation when initiating the construction of new schools;
- (8) Removing all provisions relating to the University of Hawaii;
- (9) Changing the effective date to July 1, 2006; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2956, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2956, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hee, Taniguchi, Kanno, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hee).

Representatives Takamine, Takumi, Finnegan, Nakasone.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Nakasone).

Conf. Com. Rep. No. 238 on S.B. No. 2546

The purpose of this bill is to diversify Hawaii's economy by establishing the Hawaii Innovations Partnership Corporation to provide research and development grants and to invest in enterprises in advanced technology, life sciences, and renewable energy fields.

Your Conference on Committee has amended this bill by deleting its contents and replacing it with provisions that:

- (1) Establish the Innovation Special Fund (Special Fund); and
- (2) Provide a dedicated, temporary source of funding for the Special Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2546, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2546, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Espero, Taniguchi, Ige, Inouye, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Slom).

Representatives Karamatsu, Yamashita, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 239 on H.B. No. 2043

The purpose of this bill is to ensure that health and human services are provided to those in need by:

- (1) Requiring the Department of Human Services (DHS) to disregard the amount of income equal to the difference between 133 percent of the assistance allowance and 100 percent of the federal poverty level, as adjusted annually by the federal government, in determining eligibility for assistance;
- (2) Appropriating funds for state Medicaid programs; and
- (3) Prohibiting DHS from requiring an individual enrolled in the QUEST program to re-enroll and select a QUEST health plan, unless the QUEST health plan ceases to actively continue providing services and coverage to its members.

Your Committee on Conference has amended this bill by removing its substance and replacing it with contents that establish provisions for request for proposals considered by DHS with regard to QUEST health plans. This measure will go into effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2043, H.D. 2, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2043, H.D. 2, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Fukunaga, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Sonson, Arakaki, Takamine, Green, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Arakaki).

Conf. Com. Rep. No. 240 on H.B. No. 2258

The purpose of this bill is to promote accountability and openness in government with respect to the use of Temporary Assistance for Needy Families (TANF) program funds by:

- (1) Requiring TANF funds to be appropriated by the Legislature for expenditure; and
- (2) Requiring the Department of Human Services (DHS) to:
 - (A) Submit an annual plan to the Legislature detailing the planned expenditure of TANF funds and the desired outcomes from the expenditure of such funds;
 - (B) Continue the strategic planning process of involving the community in planning for the future use of TANF funds; and
 - (C) Submit an annual report to the Legislature on the effectiveness and level of success in reaching the desired outcomes.

Your Committee on Conference recognizes that there are several worthy programs that need funding to assist the elderly and the needy, including the Chore Services Program and the Hawaii Even Start Family Literacy Program (Literacy Program). The Literacy Program assists at-risk parents and their young children in low-income communities with various programs related to literacy, job preparation, education, and parenting skills.

The funds for the Literacy Program are to be expended for TANF purposes, and, as such, the appropriation is to be expended by DHS, in compliance with the requirement that TANF monies be expended by DHS.

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

- (1) Establishing provisions for the receipt and expenditure of federal TANF funds when the Legislature is not in session;
- (2) Appropriating \$1,191,058 in general funds for the Chore Services Program;
- (3) Appropriating \$600,000 in TANF funds for the Literacy Program;

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2258, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Sonson, Takamine, Carroll, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 241 on H.B. No. 2878

The purpose of this bill is to diversify Hawaii's economy by authorizing the issuance of special purpose revenue bonds for Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2878, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Espero, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Karamatsu, Takamine, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 242 on H.B. No. 2806

The purpose of this bill is to appropriate funds for the Auditor to prepare the Hawaii 2050 Sustainability Plan.

Your Committee on Conference has amended this bill by:

- (1) Making an appropriation of \$650,000 specifically for the Hawaii 2050 Sustainability Task Force (Task Force) to:
 - (A) Conduct valuable policy analyses;
 - (B) Gather vital research and data;
 - (C) Conduct broad community outreach and solicit input from all sectors; and
 - (D) Launch an effective public education and media campaign to educate, engage, and inspire community participation;
- (2) Making an appropriation of \$50,000 specifically for the Task Force to conduct an assessment of the feasibility and benefits of establishing "Hawaii" as a brand name with values that will support diverse products;
- (3) Amending the purpose section to reflect the changes in paragraphs (1) and (2); and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2806, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2806, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hooser, Slom.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Karamatsu, Yamane, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 243 on H.B. No. 3036

The purpose of this bill is to provide for prompt payment to a subcontractor or materialman once they complete their work under a contract for government projects. Specifically, this bill establishes a process for prompt payment in government contracts by:

- (1) Requiring the Procurement Officer (PO), within 30 days, to pay the contractor all sums retained or withheld from the subcontractor and otherwise due to the subcontractor for satisfactory performance under the subcontract;
- (2) Requiring the contractor to pay the subcontractor within ten days of receipt of payment by the PO, provided that:
 - (A) The subcontractor provides evidence of completion in the form of a "properly documented payment request" and an acceptable performance and payment bond;
 - (B) A period of 90 days after the day on which the last of the labor was completed has elapsed without written notice of a claim; and
 - (C) The subcontractor has provided to the contractor an acceptable release of retainage bond, executed by a surety company in an amount not more than two times the amount being retained or withheld by the contractor.

Your Committee on Conference has amended this bill by:

- (1) Permitting the contractor or subcontractor to retain a percentage of not more than ten percent of each progress payment without incurring late payment interest penalties;
- (2) Where there is no agreement between the parties and if the change order is:
 - (A) Less than or equal to \$50,000, allowing contract price adjustments of 20 percent of the actual costs for overhead and profit and specifying that there is no cap to total cost of work when this method is used; or
 - (B) More than \$50,000, allowing contract price adjustments of 20 percent of the actual costs for overhead and profit when a unilateral determination has been made;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3036, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3036, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Karamatsu, Herkes, Chong, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Herkes).

Conf. Com. Rep. No. 244 on H.B. No. 3118

The purpose of this bill is to encourage businesses to recognize, as corporate interests, the interests of employees and of the public by allowing businesses to incorporate as a Responsible Business Corporation.

Your Committee on Conference has amended this bill by deleting its contents and replacing it with provisions that:

- (1) Establish the Responsible Corporation Task Force within the Department of Commerce and Consumer Affairs (DCCA), responsible for:
 - (A) Determining how to authorize the establishment of corporations structured to recognize, as corporate interests, the interests of employees, the public, environment, and consumer protection;
 - (B) Identifying incentives for incorporation as responsible corporations;

(C) Conforming provisions for the establishment and operation of responsible corporations to existing Hawaii law on corporations; and

(D) Determining a timetable for DCCA to implement the registration of responsible business corporations;

and

(2) Take effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3118, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3118, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Fukunaga, Tsutsui, Hogue.

Managers on the part of the Senate.

Ayes, 5. Noes, 1 (Hogue). Excused, none.

Representatives Karamatsu, Herkes, Chong, Marumoto.

Managers on the part of the House.

Ayes, 3. Noes, 1 (Marumoto). Excused, none.

Conf. Com. Rep. No. 245 on H.B. No. 3261

The purpose of this bill is to protect the intellectual property rights of Hawaii's talented intellectual community by establishing the Hawaii Ingenuity Corporation (Corporation), a single entity responsible for:

- (1) Holding and using intellectual property;
- (2) Promoting and providing opportunities for innovation education;
- (3) Raising labor and environmental standards;
- (4) Assisting inventors with businesses; and
- (5) Collectively bargaining on behalf of inventors.

Your Committee on Conference has amended this bill by:

- (1) Adding language stating that in the case of conflicts between this chapter and Chapter 414, Hawaii Revised Statutes, regarding corporations and partnerships, this chapter shall prevail;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3261, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3261, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Fukunaga, Tsutsui.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Karamatsu, Waters, Wakai, Pine.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 246 on H.B. No. 3060

The purpose of this bill is to encourage small companies and researchers at nonprofit research institutes to work together in moving laboratory-developed technologies to the marketplace and to foster technology-based economic development by:

- (1) Authorizing the High Technology Development Corporation (HTDC) to provide grants to local businesses that receive a federal Small Business Technology Transfer Program award or grant or apply for a Small Business Innovation Research federal grant or Small Business Technology Transfer Program federal grant; and

- (2) Appropriating funds to HTDC to increase the funding levels necessary to meet the current needs of the Hawaii Small Business Technology Transfer Grant Program and Phase 0 Competition Assistance Program.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose section;
- (2) Authorizing the High Technology Innovation Corporation (HTIC) to establish operational bank accounts in out-of-state locations, including foreign denomination accounts, until June 30, 2011;
- (3) Exempting HTIC from Chapter 36, Hawaii Revised Statutes (HRS), relating to the management of state funds, and Chapter 38, HRS, relating to deposits of public funds;
- (4) Appropriating \$200,000 to increase funding levels necessary to meet the current needs of the Hawaii Small Business Innovation Research Assistance Program and the proposed Hawaii Small Business Technology Transfer Grant Program and Phase 0 Competition Assistance Program;
- (5) Changing the effective date to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3060, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3060, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Espero, Taniguchi, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Karamatsu, Yamashita, Ching.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. No. 247 on H.B. No. 2419

The purpose of this measure is to enhance the revenue monitoring and collecting capabilities of the Department of Taxation.

Specifically, the measure:

- (1) Establishes the Integrated Tax Information Management Systems Special Fund to receive revenues from the integrated tax information management systems post-implementation revenue-generating initiatives;
- (2) Provides that moneys in the Integrated Tax Information Management Systems Special Fund will be used to pay for the integrated tax information management systems of the Department of Taxation; and
- (3) Adopts amendments to Hawaii tax laws to implement the Streamlined Sales and Use Tax Agreement.

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

- (1) Making numerous amendments to the Integrated Tax Information Management Systems part of the measure to further refine and augment the Department of Taxation's ability to modernize its tax information management systems through the use of innovative funding mechanisms to partner with private sector vendors providing such services;
- (2) Renaming the Integrated Tax Information Management Systems Special Fund the Integrated Tax Services and Management Special Fund and expanding the purposes for which it may be used as follows:
 - (A) Authorizing the special fund to be utilized to fund the State's cost in implementing the county surcharge on state tax adopted pursuant to section 46-16.8, Hawaii Revised Statutes; and
 - (B) Authorizing the special fund to be utilized to fund costs associated with implementing a streamlined sales and use tax adopted pursuant to chapter 255D, Hawaii Revised Statutes;
- (3) Appropriating \$13,300,000 in general funds into the Integrated Tax Services and Management Special Fund, placing expenditure caps on each purpose for which the special fund is to be used, and requiring the special fund to repay the general fund by June 30, 2007;
- (4) Making numerous technical nonsubstantive amendments to the Streamlined Sales and Use Tax Agreement implementation part of the measure for the purposes of clarity and style;

- (5) Inserting specific dollar amounts for each appropriation section; and
- (6) Providing for the phasing in and repeal of the various components of the measure as they relate to when each tax management component is to be effective (integrated tax information management systems contracts, county surcharge on state tax, and Streamlined Sales and Use Tax Agreement implementation).

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2419, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2419, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Ige, Inouye.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Karamatsu, Herkes, Takamine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Herkes).

Conf. Com. Rep. No. 248 on H.B. No. 957

The purpose of this bill is to expand state individual income tax brackets for those filing as:

- (1) Single or married filing separately;
- (2) Joint and qualified widows;
- (3) Head of households; and
- (4) Taxed imposed on estates and trusts;

to bring the tax laws more in line with the economic realities of the high cost of living in Hawaii and to bring long-term tax relief to low- and middle-income families.

Your Committee on Conference has amended this bill by increasing each bracket uniformly by 20 percent for those filing as:

- (1) Single or married filing separately;
- (2) Joint and qualified widows; and
- (3) Head of households.

Your Committee on Conference has also amended this bill by:

- (1) Deleting the amendments made for tax imposed on estates and trusts;
- (2) Raising the standard deductions to equal approximate 40 percent of the federal standard deduction;
- (3) Providing a one-time flood victims' income tax credit.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 957, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 957, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Inouye, Espero, Fukunaga, Tsutsui, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Takamine, Kawakami, Nakasone, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

STANDING COMMITTEE REPORTS

SCRep. 2001 (Majority) Ways and Means on H.B. No. 1949

The purpose of this measure is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the State Ethics Commission, the Legislative Information System, and the Legislative Broadcast System.

Your Committee has amended the bill by reducing the amount appropriated to the Senate to \$6,876,979.

As affirmed by the record of votes of the members 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. 1949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1949, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kanno).

SCRep. 2002 Energy, Environment, and International Affairs on S.B. No. 2134

The purpose of this measure is to add abuse orders of protection issued against a person as information that must be disclosed as part of that person's marital history information in dealings with international matchmaking organizations.

The Hawaii State Coalition Against Domestic Violence and the Immigrant Rights and Public Interest Legal Center submitted testimony in support of the measure.

Immigrant women who are recruited by international matchmaking organization for the purpose of providing dating, matrimonial, or social referral services to residents are particularly vulnerable to becoming victims of domestic violence. They are often isolated, as many leave their familial and social networks behind when they immigrate to the United States. The isolation is further exacerbated if they are unfamiliar with the language or law. Many immigrant abuse victims are unaware of social or legal services available to them.

This measure requires a resident using the services of an international matchmaking organization to disclose the number of domestic abuse orders of protection issued against the resident as part of that resident's marital history information. This added disclosure enables an immigrant recruit to better determine whether to establish a relationship with a resident who may be a potential abuser. This disclosure should reduce the incidence of domestic violence in our community.

Your Committee amended the measure by changing the effective date so that it is effective upon approval.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2134, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 2003 Media, Arts, Science and Technology on S.B. No. 333

The purpose of this short form measure is to amend the law relating to technology.

Your Committee has amended this measure by replacing its contents with language that makes an appropriation to implement an interim alternate data center that will recover and restore information processing and telecommunication service in the event services are disrupted by a natural disaster or malicious activity, and a business plan for its implementation.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology 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 recommitted to the Committee on Media, Arts, Science, and Technology, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2004 Health on S.B. No. 218

The purpose of this short form measure is to amend the law relating to health.

Your Committee has amended this measure by replacing its contents with language that makes an appropriation for a training stipend program for Mobile Intensive Care Technicians for the County of Maui and the County of Kauai.

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. 218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 218, S.D. 1, and be recommitted to the Committee on Health, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2005 Education and Military Affairs on S.B. No. 204

The purpose of this short form measure is to amend the law relating to education.

Your Committee has amended this measure by replacing its contents with language that makes an appropriation for a grant to the United Service Organizations for welcome home celebrations for members of the Hawaii national guard in the counties of Hawaii, Maui, and Kauai.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 204, S.D. 1, and be recommitted to the Committee on Education and Military Affairs, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hogue).

SCRep. 2006 (Joint) Health and Human Services on S.B. No. 2340

The purpose of this measure is to make an emergency appropriation to fund the increased costs of contracted early intervention services for infants and toddlers from birth to age three who have or are at risk for developmental delays.

Your Committees received testimony in support of this measure from the Department of Health, the State Council of Developmental Disabilities, the Hawaii Medical Association, and the Hawaii Disability Rights Center.

The Department of Health must carry out its obligations to provide early intervention services for children age zero to three years with a developmental delay or biological or environmental risk for a developmental delay, as mandated by part C of the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) (P.L. 108-446), sections 321-351 to 321-357, Hawaii Revised Statutes, and the Hawaii early intervention state plan. The IDEA requires that all children referred to early intervention purchase-of-service (POS) programs due to a developmental concern or biological risk receive a multi-disciplinary comprehensive developmental evaluation (CDE). This CDE requirement has resulted in increased costs for POS programs because more children are being referred to them from fee-for-service providers. In addition, the POS programs must comply with the IDEA requirement that children are to be served in "natural environments" or community-based settings. While this requirement is effective, it also is more costly than the center-based programs of previous years.

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. 2340 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 2007 Labor on S.B. No. 301

The purpose of this measure is to amend the law relating to public employment.

Your Committee has amended this measure by replacing its contents with language that appropriates funds for three positions, an investigator, legal assistant, and attorney mediation coordinator, at the Hawaii Civil Rights Commission for fiscal year 2006-2007.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 301, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2008 (Joint) Health and Human Services on S.B. No. 2338

The purpose of this measure is to make an emergency appropriation to the Department of Health for the State's Medicaid home and community-based services for the developmentally disabled or mentally retarded program, also known as the title XIX waiver program.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Health, the State Council on Developmental Disabilities, the Hawaii Disability Rights Center, the Hawaii Medical Association, and the Hawaii Waiver Providers Association.

A critical funding emergency exists for the Developmental Disabilities Division of the Department of Health due to an increase in the anticipated admissions to the Medicaid waiver program. This increase in admissions is a result of the settlement agreement in HDRC v. State, Civil No. 03-00524 HG-KSC, in August 2005, under which the Department of Health must continue to reasonably admit individuals with mental retardation or developmental disabilities into the Medicaid waiver program, a program that matches state funds with federal funds to meet the needs of disabled individuals so that they may live in the community. This emergency appropriation will enable the State to comply with the settlement agreement, Chapter 333F, Hawaii Revised Statutes, and the U.S. Supreme Court's decision in Olmstead v. L.C., 527 U.S. 581 (1999).

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. 2338 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 2009 (Joint) Health and Human Services on S.B. No. 2343

The purpose of this measure is to authorize criminal background checks, in the form of positive fingerprint identification, for persons providing care or having access to the elderly and disabled.

Testimony in support of this measure was received from the Department of Human Services, the State Council on Developmental Disabilities, the Policy Advisory Board for Elder Affairs, the Kokua Council, the Hawaii Coalition of Care Home Administrators, and the Healthcare Association of Hawaii.

Your Committees recognize that the elderly and disabled are especially vulnerable classes of people that need protection in order to live in a safe and secure environment. Many of the service providers that they come into contact with on a daily basis are complete strangers. In order to reduce the incidents of abuse of the elderly and disabled, your Committees find that criminal background checks of all caregivers and service providers that come into contact with elderly or disabled individuals should be mandatory.

Your Committees have amended this measure by making technical 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. 2343, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2343, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 2010 Media, Arts, Science and Technology on S.B. No. 2770

The purpose of this short form measure is to amend the law relating to science and technology.

Your Committee has amended this measure by replacing its contents with language that adds reasonable time limitations for an audit and appeal of any high technology business investment tax credit or tax credit for research activities claimed under section 235-110.9 and section 235-110.91, Hawaii Revised Statutes, respectively.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2770, S.D. 1, and be recommitted to the Committee on Media, Arts, Science, and Technology, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 2011 Human Services on S.B. No. 238

The purpose of this short form measure is to amend the law relating to human services.

Your Committee has amended this measure by replacing its contents with language that makes an appropriation and establishes a community-based disaster planning and preparedness pilot program for older individuals who lack family or service agency support.

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. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, S.D. 1, and be recommitted to the Committee on Human Services, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 2012 Human Services on S.B. No. 2189

The purpose of this measure is to appropriate moneys for the state Commission on Fatherhood to establish an office and hire staff.

Your Committee received testimony in support of the measure from the Department of Human Services, the State Commission on Fatherhood, and the Hawaii Coalition for Dads.

Your Committee finds that children whose fathers are involved in their lives perform better in school, engage in fewer high-risk behaviors, are less likely to abuse substances, and have higher self-esteem. A staffed office will allow the Commission, among other things, to implement its strategic plan, complete a statewide analysis of service provision to fathers, operate year-round public awareness campaigns on the importance of father involvement in the lives of children, and provide information and resources related to effective fathering and the parenting support available to fathers and families throughout the State.

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. 2189 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2013 Human Services on S.B. No. 2395

The purpose of this measure is to comply with federal requirements regarding terms of office for members of the state Commission on National and Community Service.

Your Committee received testimony in support of the measure from the University of Hawaii and the Hawaii Commission for National and Community Service.

Your Committee finds that to be eligible for receipt of a federal grant or allotment or to receive a distribution of approved national service positions, the State must maintain a Commission on National and Community Service that satisfies the requirements of the federal National and Community Service Act of 1990. One requirement is three-year terms of office, rather than the four-year terms state law presently provides. This bill makes that change.

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. 2395 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2014 Human Services on S.B. No. 3215

The purpose of this measure is to extend the term of the Children of Incarcerated Parents Task Force, and to appropriate funds for administrative costs and reimbursement of the travel expenses incurred by members of the task force.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Youth Services, Community Alliance on Prisons, and Blueprint for Change.

The Children of Incarcerated Parents Task Force was established by Senate Concurrent Resolution No. 128, Regular Session 2005, to develop programs to aid children of incarcerated parents, to strengthen these families, and to break the cycle of crime and violence within them. Your Committee finds that extending the term of the Children of Incarcerated Parents Task Force is necessary in order for the task force to accomplish its important objectives.

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. 3215 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2015 Health on S.B. No. 2337

The purpose of this measure is to authorize an increase in the expenditure ceiling of the Mental Health and Substance Abuse Special fund by an emergency appropriation for the adult mental health division.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Disability Rights Center, Hawaii Medical Association, and Mental Health Association in Hawaii.

Your Committee finds that an emergency appropriation is needed to ensure that the Hawaii state hospital can meet its obligations for providing adult mental health services and to implement additional services in compliance with the settlement agreement in *United States v. State of Hawaii*, Civil Number. 91-00137(DAE KSC).

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. 2337 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2016 Labor on S.B. No. 304

The purpose of this measure is to amend the law relating to workforce development.

Your Committee has amended this measure by replacing its contents with language that appropriates funds to the University of Hawaii for fiscal year 2006-2007 for the creation of faculty and support positions within the nursing programs to develop a qualified nursing workforce to meet Hawaii's health care needs.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 304, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2017 (Joint/Majority) Energy, Environment, and International Affairs and Intergovernmental Affairs on S.B. No. 3073

The purpose of this measure is to require an advance refundable vehicle disposal fee for each registered motor vehicle.

The County of Hawaii Department of Environmental Management and Windward Ahupua'a Alliance submitted testimony in support of this measure. The Hawaii Automobile Dealers' Association and the Alliance of Automobile Manufacturers submitted testimony in opposition.

Your Committees find that a problem exists in this State regarding abandoned vehicles, especially on the neighbor islands. Abandoned vehicles are illegally dumped on roadways and in other public areas, creating problems for the counties and the communities. According to the Windward Ahupua'a Alliance, its members helped dispose of nearly one thousand vehicles since March 2003. This measure creates a financial incentive for vehicle owners to responsibly dispose of vehicles at vehicle disposal centers.

Upon further consideration, your Committees amended this measure by:

1. Restricting the measure to counties with a population of 500,000 or less;
2. Clarifying that the fee shall apply to all motor vehicles;
3. Requiring a registered owner of a new motor vehicle to pay the fee in one lump sum upon the issuance of the first certificate of registration;
4. Enabling a registered owner of any other motor vehicle to pay the fee over four annual registration renewals;
5. Clarifying that the claim to the fee shall be transferred upon a transfer of the title to or interest in the registered motor vehicle;
6. Clarifying that if a motor vehicle is abandoned, the fee for the motor vehicle shall escheat to the county and shall be deposited into an environmental management special fund to be used for disposing of abandoned vehicles; and
7. Leaving the disposal fee amount blank to encourage further discussion of that issue.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3073, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3073, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Hanabusa, Inouye, Kim, Kokubun).

SCRep. 2018 (Joint) Energy, Environment, and International Affairs and Intergovernmental Affairs on S.B. No. 2850

The purpose of this measure is to increase the mandatory minimum fines for littering violations, including littering from a motor vehicle, littering in public, and criminal littering.

Windward Ahupua'a Alliance submitted testimony in support of this measure. The Office of the Public Defender submitted testimony in opposition.

Your Committees find that there is a rampant littering problem in our State's communities. According to Windward Ahupua'a Alliance, in a recent roadway beautification project, its members collected over four thousand cigarette butts, fifteen hundred bottles and cans, and seventy large garbage bags full of garbage in a two-hour period. They also collected miscellaneous items such as tires, batteries, a washing machine, a golf cart, four computers, furniture, and construction material.

The current mandatory minimum fines for littering violations are not a sufficient deterrent. The present minimum fine for littering is only \$25. An increase in the fine schedule is necessary to serve as an incentive to keep Hawaii beautiful.

Your Committees amended the measure by adding a savings clause and by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2850, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Inouye, Kim, Kokubun).

SCRep. 2019 Transportation and Government Operations on S.B. No. 2768

The purpose of this short form measure is to amend the law relating to the aviation fuel tax.

Your Committee has amended this measure by replacing its contents with language to exempt from the general excise tax, use tax, and fuel taxes the aviation fuel used in intrastate air transportation and transportation between the State and the mainland.

Your Committee notes that there is no tax known as the "aviation fuel tax." This measure applies to the taxes that tax aviation fuel.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, S.D. 1, and be recommitted to the Committee on Transportation and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2020 Transportation and Government Operations on S.B. No. 2780

The purpose of this short form measure is to amend the law relating to harbors.

Your Committee has amended this measure by replacing its contents with language to authorize the Department of Transportation to partner with a private developer to purchase or lease land for an intra-island ferry or water taxis at west Oahu.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 1, and be recommitted to the Committee on Transportation and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2021 Transportation and Government Operations on S.B. No. 2268

The purpose of this measure is to require a one hundred eighty-day suspension of a driver's license for a driver under the age of twenty-one convicted of illegal possession of liquor.

Specifically this measure:

- (1) Requires judges to suspend the driver's licenses of licensed drivers under the age of twenty-one when the drivers have been convicted of illegal possession of liquor; and
- (2) Provides that if the convicted defendant does not yet have a license, the defendant must wait until age eighteen to obtain a license, or for ninety days, whichever period is longer.

Your Committee received testimony in support of this measure from the Lieutenant Governor, Department of Transportation, the Attorney General, Office of Youth Services, Honolulu Prosecuting Attorney, Honolulu Police Department, Government Employees Insurance Company, and Mothers Against Drunk Driving (MADD). Testimony in opposition was received from the Public Defender.

This measure addresses the problem of traffic deaths caused by underage drinkers. Knowledge that a conviction for underage possession of alcohol will result in temporary loss of driving privileges is likely to deter many potential underage drinkers from possessing alcohol until they can legally do so. Driving privileges are a sine qua non of maturity for teenagers.

Alcohol is the number one drug of choice for teens in Hawaii, as well as throughout the nation. Commonly recognized as a gateway drug, alcohol use often leads to illicit drug use. Alcohol use among teens should be of paramount concern to people in all communities, who ultimately bear the burden of the consequences of societal ills resulting from alcohol and drug abuse. These consequences are physical, mental, behavioral, economic, and social.

News stories of the traffic deaths caused by underage drinkers who become involved in traffic accidents while intoxicated are all too common in Hawaii. Youths should be discouraged from consuming alcohol before twenty-one years of age, the minimum age in Hawaii for consumption of alcohol. Young people need to know that there will be consequences for purchasing or possessing alcohol.

According to testimony of MADD, to date thirty-six states and the District of Columbia have enacted a "use and lose" statute similar to this measure.

Your Committee has amended this measure by substituting S.B. No. 706, HD1, 2005, a similar measure which includes the following provisions:

- (1) Suspension of license for one hundred eighty days or until age eighteen, whichever period is longer;
- (2) Seventy-five hours of community service work;
- (3) An eight to twelve-hour program of alcohol education and counseling;
- (4) Waiver of proof of financial responsibility; and
- (5) A savings clause.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2268, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2022 (Joint) Transportation and Government Operations and Health on S.B. No. 3268

The purpose of this measure is to make an appropriation to fund a study by the Department of Health (DOH) to assess the structural integrity of all hospitals and nursing homes in Hawaii.

Your Committees received testimony in support of this measure from the State Department of Defense, the Department of Health, Healthcare Association of Hawaii, Hawaii Long Term Care Association, and the Structural Engineers Association of Hawaii. Testimony in opposition was received from one individual.

The Office of Domestic Preparedness of the Office of Homeland Security has issued a directive, in the aftermath of Hurricane Katrina, to each state requiring them to assess their ability to evacuate and shelter residents in the event of a disaster. Of particular concern are the special populations served by hospitals and long term care facilities. The residents of these facilities are the frail and elderly who are especially vulnerable to injury and death from natural disaster. Evacuation is problematic because of their age and infirmities.

This measure would appropriate funds for a study of the structural integrity of hospitals and nursing facilities to determine their ability to withstand hurricanes.

Your Committees have amended this measure by:

- (1) Clarifying the criteria for the study, on recommendation of the Structural Engineers Association of Hawaii;
- (2) Requiring the Department of Health to report findings and recommendations to the Legislature; and
- (3) Making technical amendments to comport with proper drafting format.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3268, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3268, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hee, Kanno).

SCRep. 2023 Media, Arts, Science and Technology on S.B. No. 2570

The purpose of this measure is to amend the motion picture and film production income tax credit under section 235-17, Hawaii Revised Statutes, by:

- (1) Increasing the motion picture and film production refundable tax credit to fifteen per cent on Oahu and twenty per cent on the neighbor islands; and
- (2) Revising the definitions and the eligibility criteria and parameters for qualifying for the tax credit.

Your Committee received testimony support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; the Honolulu Film Office; the Big Island Film Office; the Maui Film Office; the Screen Actors Guild; the International Alliance of Theatrical Stage Employees, Mixed Local 665; the American Federation of Musicians, Local 667; the Hawaii Film & Entertainment Board; Ko Olina Resort & Marina; Pae 'Āina Communications, LLC; The Estate of James Campbell; the Hawaii Film Authority, Inc.; and several producers and private individuals. The Tax Foundation of Hawaii submitted comments on the measure.

Currently, section 235-17, Hawaii Revised Statutes, provides a refundable tax credit of up to four per cent of the costs of production of motion picture or television films, which is a rather modest tax credit. Hawaii has lost film production projects to other jurisdictions with better and more effective film production incentives. Your Committee finds that increasing the motion picture and television production tax credit rate will stimulate film production activity in the State, create jobs and training opportunities, and support local film and digital media production companies.

Your Committee has amended this measure by:

- (1) Allowing a production seeking to qualify for the tax credit to provide the State a shared-card, end title screen credit, where applicable; and
- (2) Providing an effective date of July 1, 2006 for section 2 to prevent a taxpayer from simultaneously claiming a high technology business investment tax credit under section 235-110.9, Hawaii Revised Statutes, and a motion picture and film production tax credit.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2570, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 2024 Transportation and Government Operations on S.B. No. 2366

The purpose of this measure is give the Office of Information Practices (OIP) the power to enforce its decisions and to expand its duties.

Your Committee received testimony in support of this measure from OIP, The League of Women Voters of Hawaii, and the Society of Professional Journalists. Testimony in opposition was received from the Honolulu Corporation Counsel.

This measure allows any person to file an administrative complaint with OIP if the person alleges a violation of the sunshine law by an agency. This measure also allows the OIP to apply to the circuit court to enforce its decisions made pursuant to an administrative complaint.

This measure makes amendments to chapter 92, Hawaii Revised Statutes, relating to open meetings and records, to make OIP's powers and duties under chapter 92 consistent with its powers and duties under chapter 92F, relating to information practices. This measure further broadens the scope of OIP's functions by requiring OIP, among other things, to provide advisory opinions when requested by a board and to investigate administrative complaints. Enforcement of chapter 92 is presently the responsibility of the State Attorney General and county prosecuting attorneys, who are authorized to commence a civil action. This measure complements the enforcement role of the Attorney General and the prosecuting attorney to prosecution of criminal violations of the sunshine law and gives OIP the power to enforce its decisions by commencing a civil action.

Your Committee believes that OIP should be given a full range of enforcement and investigative powers to effectively perform its designated statutory functions. The rendering of advisory opinions is a function of public education which benefits the government agency and the public in the proper administration of the sunshine law.

Your Committee has amended this measure by 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 Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2366, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2025 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2736

The purpose of this measure is to allow counties to take into custody and dispose of abandoned vehicles on private roads if the owner of the private road is unknown or cannot be located, and to immunize the county from liability for doing so.

Your Committees received testimony in support of this measure from the Windward Ahupua`a Alliance and one individual.

Your Committees find that abandoned vehicles on Hawaii's roads is a problem that few can ignore. These vehicles impair the beauty of our physical environment, decrease visibility for drivers, create hazards for walkers and bicyclists, leak hazardous materials, and often serve as breeding grounds for pests. The situation is particularly aggravating when vehicles are abandoned on private roads whose owners are unknown or cannot be located, since current law allows abandoned vehicle removal by the counties only from public roads and public property.

This measure, as amended, is intended to facilitate the disposal of abandoned vehicles on private roads while providing immunity to the counties for from trespass. Your Committees have amended this measure accordingly and made technical changes for proper statutory formatting.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2736, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2736, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2026 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2712

The purpose of this measure is to clarify the quorum requirement under the sunshine law to allow for convening a board meeting by a majority of the members to which a board is entitled, minus vacancies.

Your Committees received comments from the Attorney General and the Honolulu Corporation Counsel.

Current law requires that there be a "quorum" to do business and to vote on official business. In practice a quorum means there must be a majority of the membership present at the meeting to transact business. Such a practice does not allow for unfilled vacancies, which means the board cannot meet at all if there are too many vacancies.

This measure addresses the problem in which some boards and commissions run into difficulty making quorum as they have too many vacancies. This occasionally happens with neighborhood boards when people elected to the board resign, and it takes several meetings before a replacement can be chosen. During this period, no meetings can be held and no business transacted.

Your Committees have amended this measure by clarifying that a majority of the members to which a board is entitled, minus vacancies, is necessary to conduct business.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2712, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2712, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2027 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2829

The purpose of this measure is to make an appropriation for a grant-in-aid to the County of Kauai for acquisition of land and planning for improvements to Pouli Road, Kauai.

Your Committees received testimony in support of this measure from the Mayor of Kauai County, members of the Kauai County Council, and the Kapaa Business Association.

This measure is part of Kauai's long-term traffic relief plans. Land acquisition to extend and improve Pouli Road is one of the priority proposals. This project is an important element in relieving congestion and improving traffic flow between Kuhio Highway and the Kapa`a By-pass Road. It is a key initiative in addressing a significant infrastructure issue in the island's most populated district.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2829 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2028 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2830

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for improvements to Kuhio Highway, Kauai.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT), the Mayor of Kauai County, and members of the Kauai County Council.

The project that is the subject of this measure is currently part of the DOT's plan to construct an additional southbound lane on Kuhio Highway between the southern end of the existing Kapa'a Bypass Road and the Wailua River. The project includes intersection improvements along Kuhio Highway at Haleilio, Papaloo, and Kuamoo roads, as well as an additional lane across the Wailua River. This corridor is the only link between the northern and eastern portion of the island and the central district of Lihue and beyond. This improvement would provide needed relief to the congestion in the most heavily populated district on the island.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2830 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2029 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2204

The purpose of this measure is to create a misdemeanor offense for removal of parts from an abandoned or a derelict vehicle.

Your Committees received testimony in support of this measure from the Windward Ahupua'a Alliance and two individuals.

Your Committees view this measure as furthering environmental protection efforts to deter the unsightly discarding of auto parts along our streets, roadways, parks, and beaches. Stripped auto parts are often discarded on public property after the fact, which multiplies the problem of litter control and contributes to the disfigurement of the natural beauty of the landscape.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2204 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2030 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2052

The purpose of this measure is to clarify that the requirement of proof of financial responsibility for a traffic violation conviction does not apply to conviction or a license suspension or revocation of a provisional license.

Your Committees received testimony in support of this measure from the Honolulu Department of Customer Services, Mothers Against Drunk Driving, and the Public Defender.

The requirement for proof of financial responsibility is intended for conviction of very serious traffic offenses, such as reckless or inattentive driving, or driving under the influence of intoxicating liquor or drugs. Your Committees find that a violation of the provisional license law does not constitute an offense that rises to the level of seriousness as contemplated by the proof of financial responsibility law.

Your Committees have made a conforming statutory amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2052, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2052, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2031 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2055

The purpose of this measure is to raise from \$250 to \$1,000 the value of an abandoned vehicle for which public auction requirements may be waived.

Your Committees received testimony in support of this measure from the Honolulu Customers Services Department and the Windward Ahupua'a Alliance.

This measure would allow for the faster disposal of towed abandoned vehicles. According to testimony, many affected vehicles are missing or have damaged parts that make the value of the vehicle less than \$1,000. Current law requiring the appraised value of the vehicle to be \$250 is a hindrance to expeditiously disposing of such vehicles as scrap metal in lieu of auction.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2055 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2032 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2049

The purpose of this measure is to repeal the criterion of “ten model years or older” from the definition of derelict vehicle purposes of the derelict vehicle law, and to conform the references of the Housing and Community Development Corporation of Hawaii to the Hawaii Public Housing Administration.

Your Committees received testimony in partial support of this measure from the State Attorney General, and testimony in support from the Honolulu Customer Service Department, Hawaii County Environmental Management Department, and Windward Ahupua`a Alliance.

The intent of this measure is to allow faster removal of abandoned vehicles from public roads. In the case of *Wong v. City and County of Honolulu*, 333 F. Supp. 2d 942, (D. Hawaii 2004), Judge Kay of the United States District Court ruled that disposing of a vehicle deemed derelict under current law because it is ten model years or older, without providing notice to the owner, violates procedural due process. This measure would delete that reference in section 290-8(6), Hawaii Revised Statutes.

The testimony of the Attorney General indicated that the new language in this measure referencing a vehicle abandoned under section 290-1, Hawaii Revised Statutes, should be deleted because it caused similar constitutional problems. Your Committee has amended this measure accordingly by deleting the new language.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2049, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2049, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2033 Commerce, Consumer Protection and Housing on S.B. No. 2773

The purpose of this short form measure is to amend the law relating to housing.

Your Committee has amended this measure by replacing its contents with language that addresses the housing needs of pineapple workers who are displaced by the closure of Del Monte Fresh Produce and are in danger of losing their homes at Kunia Camp.

Specifically, this measure provides for the following for displaced pineapple workers at Kunia, Oahu:

- (1) A grant program to finance the purchase of existing homes by their current occupants;
- (2) Mortgage loans at below-market interest rates for eligible borrowers to purchase their homes;
- (3) Rent supplements to enable eligible families to rent safe, decent, and sanitary housing elsewhere in the private market;
- (4) Rental assistance to owners of Kunia Camp housing who maintain existing units at affordable rents for displaced workers and their families;
- (5) Loans or grants for the preservation and substantial rehabilitation of existing rental housing units;
- (6) Funds for the demolition and reconstruction of dilapidated housing units; and
- (7) Funds for direct downpayment loans to eligible borrowers for the purchase of their homes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, S.D. 1, and be recommitted to the Committee on Commerce, Consumer Protection, and Housing, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 2034 Commerce, Consumer Protection and Housing on S.B. No. 2774

The purpose of this short form measure is to amend the law relating to housing.

Your Committee has amended this measure by replacing its contents with language that makes plantation communities such as Kunia Camp, Oahu, a permitted rather than nonconforming use within the state agricultural land use district.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2774, S.D. 1, and be recommitted to the Committee on Commerce, Consumer Protection, and Housing, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 2035 Transportation and Government Operations on S.B. No. 2459

The purpose of this measure is to assist smaller concessionaires by giving the State the flexibility to accept legal tender and financial instruments other than performance bonds as security for the performance of their concession contracts.

Your Committee received testimony in support of this measure from the Department of Transportation and Airport Concessionaires Committee.

Your Committee finds that in the wake of the events of September 11, 2001, bonds have become increasingly expensive and difficult to obtain for concessionaires. This measure provides concessionaires with flexibility to reduce costs that are presently associated with financial security requirements.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2036 Health on S.B. No. 2226

The purpose of this measure is to permanently establish a community service license for dentists.

Your Committee received testimony in support of this measure from the Department of Health, Board of Dental Examiners, Hawaii Dental Association, Hawaii Medical Service Association, Hawaii Primary Care Association, Ho'ola Lahui Hawaii, and one individual.

Your Committee finds that the community service license offered for dentists who provide dental services in the underserved communities has proven to be a very successful program. In order to continue its success, the sunset date adopted in Act 166, Session Laws of Hawaii 2004, should be repealed.

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. 2226 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2037 Health on S.B. No. 2347

The purpose of this measure is to provide the Department of Health with additional funds to continue Healthy Start services.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, and Hawaii Medical Association.

Your Committee finds it necessary to ensure that children, from birth to three years of age, with developmental delay or biological or environmental risk, and their families receive early intervention services. In order to continue these services at the present level, a ceiling increase in the Early Intervention Special Fund is needed. Your Committee finds that this appropriation is necessary to ensure that this program is funded for the whole fiscal year.

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. 2347 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2038 Health on S.B. No. 2348

The purpose of this measure is to appropriate additional funds for preparation of a possible influenza pandemic.

Your Committee received testimony in support of this measure from the Department of Defense, Department of Health, Healthcare Association of Hawaii, and Hawaii Medical Association.

Your Committee realizes the urgent need to adequately prepare for an influenza pandemic and protect the people of Hawaii. Your Committee has adopted this measure at the suggestion of national and international experts who believe that the H5N1 strain of avian influenza, which has spread through Asia and parts of eastern Europe, could become a pandemic for which early preparation is crucial.

Your Committee finds that this measure is for the benefit of public health and safety.

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. 2348 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2039 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 2092

The purpose of this measure is to require planned community associations to give written notice of costs to a member requesting information before the information is provided to the member.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from Community Associations Institute-Hawaii Chapter, Mililani Town Association, and one individual.

This measure requires a planned community association to provide written notification of costs to a member requesting information ten days before the association incurs the costs and provides the requested information. This measure exempts from the notification requirement information about delinquent assessments or information in connection with proceedings to enforce the law or the association documents. This measure also allows a member to withdraw the request for information after being notified of the cost of providing the information.

Your Committee has amended this measure by making technical nonsubstantive amendments for clarity and style. Your Committee has also amended the effective date to July 1, 2050 to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2092, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 2040 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 2193

The purpose of this measure is to require planned community associations to maintain financial statements and other financial information at a convenient location for examination by any member, for the duration that those statements and information are kept by the association.

Your Committee received testimony in support of this measure from two individuals. Testimony in opposition was received from Community Associations Institute-Hawaii Chapter and Mililani Town Association.

Your Committee finds that members of these associations should have access to this financial information.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2193, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 2041 Commerce, Consumer Protection and Housing on S.B. No. 2545

The purpose of this measure is to extend for two years the condominium management dispute resolution pilot program administered by the Office of Administrative Hearings within the Department of Commerce and Consumer Affairs.

Testimony in support of this measure was received from Hawaii Council of Associations of Apartment Owners, Hawaii Community Associations Institute-Hawaii Chapter, Hawaii Independent Condominium and Cooperative Owners. The Office of Administrative Hearings submitted comments on the measure and testified that it had no opposition to the measure.

This measure establishes the condominium management dispute resolution pilot program by placing provisions for the program into the newly codified condominium law in chapter 514B, Hawaii Revised Statutes.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2042 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 2763

The purpose of this measure is to require condominium associations to send written notice of unpaid assessments, maintenance fees, and attorneys' fees to unit owners.

Specifically, this measure requires:

- (1) Condominium associations to send written notice of delinquent assessments or maintenance fees to a unit owner before taking any action under chapter 514B, Hawaii Revised Statutes, to collect these assessments or maintenance fees;
- (2) Separate written notices be given to the unit owner on the tenth, thirtieth, and forty-fifth day from the initial date of delinquency;
- (3) Each notice to be sent by first class, certified mail, set forth the amount of assessments or fees owed to the association, and indicate the intent of the association to collect the delinquent amounts from the unit owner;
- (4) The notice mailed on the forty-fifth day to inform the unit owner that the association will assess reasonable attorneys' fees attributable to the collection of the assessments or maintenance fee beginning on the sixty-first day from the initial date of delinquency; provided that the association may not collect attorneys' fees incurred by the association and relating to the delinquency from the initial date of delinquency through the subsequent sixty-day period;
- (5) In any action challenging or collecting delinquent assessments or maintenance fees, the association shall have the burden of proving that written notices required by this measure were mailed to the unit owner; and
- (6) Any late fees imposed by an association unit owner under this measure shall not be more than twenty per cent of the monthly maintenance fee in effect at the time of the delinquency.

Testimony in support of this measure was submitted by Hawaii Independent Condominium and Cooperative Owners and two individuals. The Community Associations Institute-Hawaii Chapter and one individual submitted testimony in opposition to this measure. Comments were also submitted by the Hawaii Council of Associations of Apartment Owners.

Your Committee finds that the collection of delinquent assessments and maintenance fees is an important function of condominium associations that impacts individual unit owners, management companies, and condominium associations.

Your Committee further finds that federal and state law currently protects unit owners by providing for fair debt collection procedures and the right to demand mediation or arbitration. For example, section 514A-90(c)(5), Hawaii Revised Statutes, provides an owner with the "right to demand mediation or arbitration to resolve disputes about the amount or validity of an association's assessment, provided that the apartment owner immediately pays the assessment in full and keeps assessments current," and section 514A-90(c)(6) provides that "payment in full of the assessment does not prevent the owner from contesting the assessment or receiving a refund of all amounts not owed."

Your Committee has amended this measure by requiring written notices to a unit owner include information about the unit owner's right to protection under federal and state law, including but not limited to the right to demand mediation or arbitration or contest assessments under sections 514A-90(c)(5) and (6).

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 2043 Commerce, Consumer Protection and Housing on S.B. No. 3067

The purpose of this measure is to establish that, in the case of a voluntary conveyance, the grantee of a unit in a planned community association is jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grant or conveyance.

Your Committee received testimony in support of this measure from the Community Associations Institute-Hawaii Chapter, Mililani Town Association, and one individual.

This measure establishes joint and several liability between the grantee and grantor of a unit in a voluntary conveyance of the unit and gives the grantee the right to recover from the grantor the amounts paid by the grantee. This measure protects planned community associations from the loss of assessments, and buyers from having a lien for unpaid assessments encumbering the property after closing.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3067, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2044 Media, Arts, Science and Technology on S.B. No. 2651

The purpose of this measure is to appropriate funds for the planning and construction of the Waipahu Centennial Memorial honoring veterans who lost their lives while serving our State and country.

Your Committee received testimony in support of this measure from the Veterans of Foreign Wars Post 1572, Waipahu.

In 1996, \$220,000 was appropriated for the planning and construction of a memorial incorporating an existing memorial in Waipahu, but with the change of administration in 2002, the remaining \$200,000 lapsed. The memorial will recognize the military service of Hawaii's war veterans who lost their lives while serving our State and country. Your Committee finds that appropriating funds for the planning and construction of the Waipahu Centennial Memorial will allow Hawaii to honor our brave veterans who paid the ultimate price in service of our State and country, and that the memorial will become a Waipahu community project in conjunction with Waipahu High School.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2651 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 2045 Media, Arts, Science and Technology on S.B. No. 2716

The purpose of this measure is to appropriate funds to the Filipino Community Center for capital improvements to match funds provided by the Filipino Community Center.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Filipino Community Center, Inc.

The Filipino Community Center is making a capital request to be used to match the remaining \$500,000 balance of an economic development administration capital grant from the United States Department of Commerce, which can only be used for capital expenses. The Filipino Community Center plans to use the funds to enhance the operating and training capability of the Center's commercial kitchen and technology center. The kitchen needs a combination walk-in freezer/refrigerator, folding dining tables and chairs, pots and pans, dishes, glassware, flatware, and cutlery. The technology center needs larger flat screen monitors for elderly individuals who have impaired vision, speakers, earphones, back-up servers, LCD and overhead projectors, laptops, VCRs, and caddy carts. The Center is also considering designing and constructing a retractable roof over the Center's courtyard area to make it an all-weather service and training facility.

Your Committee finds that appropriating funds to the Filipino Community Center will enable the Center to make capital improvements and allow the Center to better serve the Filipino community in Hawaii.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 2046 Media, Arts, Science and Technology on S.B. No. 3222

The purpose of this measure is to appropriate funds to the Honolulu Culture and Arts District Association to manage a project for the renovation of the facades of several privately owned properties on North Hotel Street between Nuuanu Avenue and Smith Street.

Your Committee received testimony in support of this measure from the Mayor's Office of Economic Development, the City and County of Honolulu; the Honolulu Culture & Arts District Association; the Historic Hawaii Foundation; the Louis Pohl Gallery; and a private individual.

In recent years, public and private entities have invested substantial amounts in the Chinatown Special Historic District to upgrade its infrastructure and to remedy the public perception that the area is run-down and crime-prone. Six new businesses have opened during the past two years on North Hotel Street, between Nuuanu Avenue and Smith Street, which have provided jobs and other benefits to the area.

Despite the improvements to the area, Chinatown still struggles with its negative reputation because many of the buildings in the area, especially along North Hotel Street, are dilapidated or vacant. The owners are unable to rehabilitate their buildings because the repairs are extensive and the potential rent income will not cover the repair costs. The rules of the Chinatown Historic District require rehabilitation rather than reconstruction; thus, bringing these buildings up to code while preserving their integrity involves a significant amount of money, expertise, and time.

Your Committee finds that making an appropriation to fund the Honolulu Culture and Arts District Association to manage a project to renovate the facades of several buildings on Hotel Street will help in the revitalization of the area. In return, the building owners have agreed to make, at a minimum, an equivalent matching investment in the restoration of the interior of three under-utilized and vacant buildings on the block, and to find tenants. Once restored, this block will complete an important link between the downtown culture and arts district and the shops and merchants of historic Chinatown, and will encourage more tourists and residents to seek Chinatown as a vibrant evening destination.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3222 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 2047 Health on S.B. No. 2339

The purpose of this measure is to appropriate additional funds to the Department of Health for ambulance services.

Your Committee received testimony in support of this measure from the Department of Health, Honolulu Emergency Services Department, American Medical Response, and Hawaii Medical Association.

Your Committee finds that additional funding is needed for Emergency Medical Services in order to comply with negotiated collective bargaining increases, increased fuel costs, and increased costs in contract ambulance services for the counties of Maui and Kauai.

For clarity, your Committee amended this measure to specify that the appropriated funds for the City and County of Honolulu and the County of Hawaii are to be distributed by the Department of Health. Your Committee further amended this measure to clarify appropriate expenditures, including general operating expenses, equipment, and supplies for ambulance-related services.

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. 2339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2048 Health on S.B. No. 2620

The purpose of this measure is to include an adult grandchild as person who may obtain a deceased person's medical records.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds it appropriate to allow an adult grandchild to obtain a deceased grandparent's medical records. Families have multiple ways of interacting with each other and often grandparents have special parent-child relationships with their grandchildren, such as in the traditional Hawaiian hanai relationship, where the grandparents raise their grandchildren. It therefore is appropriate to allow grandchildren access to this information.

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. 2620 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 2049 Health on S.B. No. 3261

The purpose of this measure is to enable dental specialists, who received their licensure and credentials in another state, to receive a license to practice their dental specialty in Hawaii.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, which offered amendments, and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Dental Association and twelve individuals.

Your Committee finds that there is a need for dental specialists in Hawaii. Forty-five states have adopted reciprocity or licensure by credentials programs. Adopting a licensure by credentials program for dental specialists from other states will provide the residents of Hawaii access to improved specialized health care.

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. 3261 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2050 Health on S.B. No. 2296

The purpose of this measure is to make housekeeping amendments to chapter 457-9, Hawaii Revised Statutes, regarding licensure of nurses.

Your Committee received testimony in support of this measure from the Board of Nursing. Your Committee received testimony in opposition to the measure from the Hawaii Nurses Association.

Your Committee finds that the nursing shortage in Hawaii is detrimental to public health and safety. In order to encourage more nurses to work in Hawaii and ensure that a high level of professional skill is maintained in the field, the nursing licensing regulations need to be clarified and up-dated. Although the Hawaii Nurses Association submitted testimony in opposition, your Committee understands that upon further discussions between the Board of Nursing and Hawaii Nurses Association, both groups agree to the amendments proposed herein.

Your Committee has amended the effective date of this measure to allow the Board of Nursing time to adopt rules in accordance with chapters 91 and 457, Hawaii Revised Statutes, regarding continuing education for nurses as alternative proof of continuing competency.

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. 2296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2296, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2051 Ways and Means on S.B. No. 2338

The purpose of this measure is to make an emergency appropriation to the Department of Health for the State's medicaid home and community-based services for the developmentally disabled or mentally retarded program, also known as the title XIX waiver program.

Your Committee finds that a critical funding emergency exists for the Developmental Disabilities Division of the Department of Health due to an increase in the anticipated admissions to the medicaid waiver program. This increase in admissions is a result of the settlement agreement in HDRC v. State, Civil No. 03-00524 HG-KSC, in August 2005, under which the Department of Health must continue to reasonably admit individuals with mental retardation or developmental disabilities into the medicaid waiver program, a program that matches state funds with federal funds to meet the needs of disabled individuals so that they may live in the community.

Your Committee believes that this emergency appropriation will enable the State to comply with the settlement agreement, Chapter 333F, Hawaii Revised Statutes, and the United States Supreme Court's decision in Olmstead v. Zimring, 527 U.S. 581 (1999).

As affirmed by the record of votes of the members 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. 2338 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Kanno).

SCRep. 2052 Health on S.B. No. 2297

The purpose of this measure is to clarify that professional mental health counseling services shall be based on specialized education, training, and experience.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, Alliance for Professional Counselor Licensure, Kaiser Permanente, and eleven individuals. Your Committee received testimony in opposition to the measure from one individual.

Your Committee finds that mental health services must be provided by qualified mental health counselors. The education, training, and experience that mental health counselors acquire qualifies them to serve individuals effectively within the scope of their expertise. This measure will ensure that individuals who need counseling services have access to appropriate mental health care.

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. 2297, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2053 (Joint) Transportation and Government Operations and Business and Economic Development on S.B. No. 2213

The purpose of this measure is to make effective a minor's waiver of liability for injuries from use of motorsports facilities, and to provide a qualified immunity to a public entity and public employees for injuries from this use.

Your Committees received testimony in support of this measure from the Mayor of Hawaii County. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

This measure is intended to facilitate the popularity of motorsports among minors. Motorsports facilities are commonly operated by county governments, which appreciate the immunity from liability. Your Committees view this measure as promoting a sports and family activity, without creating an imbalance of rights and responsibilities for safety.

Your Committees have amended this measure by correcting an internal cross-reference.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2213, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Menor, Sakamoto).

SCRep. 2054 (Joint) Health and Human Services on S.B. No. 2509

The purpose of this measure is to support individuals with developmental disabilities or mental retardation to live in a setting of their choice.

Your Committees received testimony in support of this measure from Department of Health, State Council on Developmental Disabilities, Hawaii Disability Rights Center, The Arc of Kauai, and The Arc of Hawaii.

Your Committees find that it is important for individuals with developmental disabilities or mental retardation to have community residential alternatives in a setting of their choice. Federal court decisions require states to provide residential options to persons with developmental disabilities.

Your Committees further find that a support network needs to be in place to ensure the health and safety of those individuals who choose to live in a residential setting. This measure will balance the need for health, safety, and freedom of choice.

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. 2509 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2055 (Joint) Health and Human Services on S.B. No. 2502

The purpose of this measure is to appropriate funds to continue the Donated Dental Services program.

Your Committees received testimony in support of this measure from State Council on Developmental Disabilities, Hawaii Disability Rights Center, Hawaii Dental Association, National Foundation of Dentistry for the Handicapped, Waipahu Aloha Clubhouse, and one individual.

Your Committees find that donated dental services are important and have a positive impact on the elderly and disabled. Your Committees further find that this volunteer-based service has been successful since its inception in 2002. However, this success will end without further assistance from the State.

Your Committees amended this measure to include an appropriation amount of \$19,309, as suggested by the State Council on Developmental Disabilities. Your Committees find that the benefits of the Donated Dental Services program far outweighs this small investment.

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. 2502, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2502, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2056 (Joint/Majority) Health and Human Services on S.B. No. 2564

The purpose of this measure is to make an appropriation for additional staff for the long-term care ombudsman program.

Your Committees received testimony in support of this measure from the State Long Term Care Ombudsman (LTC ombudsman), Kokua Council, Policy Advisory Board for Elder Affairs. Comments were received from the Executive Office on Aging (EOA).

The responsibility of the LTC ombudsman, under the partially federally funded Older Americans Act, is to be an advocate for seniors residing in licensed nursing homes, assisted living facilities, adult residential care homes, and expanded adult residential care homes. That total population, according to the LTC ombudsman, is approximately 8,606. That number will rise dramatically with the aging of the baby boomers.

The long-term care ombudsman program also provides information and referral assistance, conducts educational activities to increase community awareness of elder rights, advocates at the legislature, and provides training to long-term care staff, family councils and resident councils.

Your Committees find that funding for additional staff is needed to establish ombudsman specialist positions for Kauai, Maui, and Hawaii counties, and to hire one clerk typist II position for the EOA, as well as to support the neighbor-island LTC ombudsman and volunteer programs.

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. 2564 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2057 (Joint/Majority) Health and Human Services on S.B. No. 2804

The purpose of this measure is to make an appropriation for the Executive Office on Aging (EOA) to develop a volunteer hours exchange program and to fund two pilot projects.

Your Committees received testimony in support of this measure from the EOA.

Your Committees find that this measure is intended to facilitate volunteering services to help elders. Many Hawaii residents volunteer their time to benefit others.

Your Committees find that a structured program that credits volunteers for donated hours would substantially increase the level of volunteer activity and address community needs, including child care and long-term care for the elderly.

A volunteer-hours exchange program allocates a credit for each hour of service that a person volunteers. The credits can be exchanged for a service that a person needs or a person can donate credits to another person. For instance, a person would receive a credit for providing transportation services to an elderly person in need. The person can then use the credit to obtain chore services or donate the credit to someone else in need of services. These programs support, encourage, and coordinate reciprocity among residents. Similar programs known as time dollar programs are being conducted successfully in Florida and Missouri and can serve as models. This measure would set up a pilot program on Hawaii county in conjunction with the retired and senior volunteer program, and a program on Oahu in conjunction with Project Dana.

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. 2804 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2058 (Joint) Health and Human Services on S.B. No. 2132

The purpose of this measure is to establish a pilot clinic that provides prenatal, delivery, and postpartum care to women with a history of methamphetamine or other substance abuse.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Medical Association, American College of Obstetricians and Gynecologists-Hawaii Section, Drug Policy Forum of Hawaii, Hawaii Women's Coalition, Healthy Mothers Healthy Babies, Kapiolani Medical Center for Women and Children, Blueprint for Change, Drug Policy Action Group, Planned Parenthood of Hawaii, and two individuals.

Your Committees find that funding a prenatal pilot program for women with a history of substance abuse is a crucial step in protecting the well-being of Hawaii's next generation.

Your Committees amended this measure by adopting the recommendations of the Department of Human Services by:

- (1) Including reimbursement for services from health plans and insurers, as well as medicaid; and
- (2) Complying with medicaid reimbursement requirements regarding licensed and medicaid participating providers.

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. 2132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2059 (Joint) Health and Human Services on S.B. No. 2630

The purpose of this measure is to appropriate funds for the maintenance and operations of the developmental disabilities domiciliary homes and apartment complexes.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, The Arc in Hawaii, The Arc in Kona, The Arc of Kauai, and Opportunities for the Retarded, Inc.

Your Committees find that it is important for individuals with developmental disabilities to have adequate access to residential housing. Domiciliary homes and apartment complexes offer assisted living services that enable these individuals to prosper in their communities. However, a lack of funding has forced many of these homes and complexes to close.

Your Committees adopted the amendments suggested by the State Council on Developmental Disabilities to appropriate \$1,798,200 for the 2006-2007 fiscal year and to change the term "development disabilities apartments" to "development disabilities apartment complexes" as defined by Act 168, Session Laws of Hawaii 2005.

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. 2630, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2630, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2060 (Joint) Health and Human Services on S.B. No. 2725

The purpose of this measure is to appropriate funds for Hawaii's Healthy Start program to continue to serve and support high-risk families.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Human Services, Parents and Children Together, Hawaii Family Support Institute, Maui Family Support Services, and Catholic Charities Hawaii.

Your Committees find that the Healthy Start program offers necessary family support services. The program identifies high-risk families before abuse or neglect can begin and provides home visits and needed services. Your Committees further find that this appropriation will enable the Healthy Start program to continue its successful mission of optimizing each child's development during their critical early years.

Your Committees amended this measure to include the appropriation amount of \$2,946,847, as suggested by the Department of Health.

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. 2725, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2725, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2061 (Joint/Majority) Health and Human Services on S.B. No. 3258

The purpose of this measure is to appropriate grant funds that will enable the Oral Health Institute of the Pacific to continue to provide dental clinics and services on Maui for the underserved population.

Your Committees received testimony in support of this measure from twenty-two individuals.

Your Committees find that dental health is an important part of an individual's total well-being. Poor dental health is often a precursor to more serious diseases.

Your Committees further find that individuals on Maui who are recipients of QUEST, SCHIP, and Medicaid, or are uninsured, cannot find dental services in the private sector. Thus, your Committees find that a grant to Global Medlink Technology Inc. for the Oral Health Institute of the Pacific program is necessary to ensure that dental clinics continue to operate and that the underserved population receives needed dental services.

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. 3258 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2062 Business and Economic Development on S.B. No. 2202

The purpose of this measure is to make an appropriation for the Hawaii Small Business Development Center (SBDC) Network to further its work of providing assistance to small businesses through management-force training.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, and the Hawaii Small Business Development Center Network.

Economic development is sustainable when it increases productivity and has residual benefits. In Hawaii, this means increasing human capital productivity, which is composed of skills training through workforce development and conceptual training through management-force development. Hawaii's business sector has received an "F" for business vitality in the State from the Corporation for Enterprise Development for eleven out of the last twelve years. Your Committee finds that management-force training positively impacts small businesses and will improve these rankings. The Hawaii SBDC Network is the only one in the State with a comprehensive program for small business owners and prospective owners, and the only one delivering a management-force training program statewide; thus, an appropriation of funds will allow Hawaii SBDC Network to continue to provide assistance to small businesses in the State.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2063 (Majority) Business and Economic Development on S.B. No. 2460

The purpose of this measure is to make an appropriation for lifeguard services at the Makena State Park on Maui.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; the County Council of Maui; the Kihei Community Association; the Wailea Community Association; Dr. Leisure's Friends of Makena State Park; and nineteen private individuals.

Makena Beach at the Makena State Park on Maui is known as one of the best beaches in the State and is a popular destination for tourists as well as a favorite recreation area for Maui residents. Makena Beach is also locally known for its dangerously high waves and rough shore break, which results in many unsuspecting tourists and Maui residents needing a rescue or resuscitation. Currently, there are no lifeguards on duty at the beach to warn its users of the beach's dangerous conditions or rescue them. Your Committee finds that making an appropriation to fund lifeguard services will provide emergency and rescue services and increase water safety and security at Makena Beach.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2460 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 1 (Ige).

SCRep. 2064 Business and Economic Development on S.B. No. 2542

The purpose of this measure is to make an appropriation for the Community-Based Economic Development (CBED) Program to provide financial assistance through low interest planning ("seed") or small implementation (matching) grants to qualifying community-based nonprofit organizations.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Alliance for Community-Based Economic Development (HACBED); Kipahulu 'Ohana; Kona Pacific Farmers Cooperative; and Empower Oahu.

The CBED Program plays an important role in assisting communities to achieve their goals and visions in economic development. CBED-funded projects have created jobs, established or expanded new ventures, and economically empowered communities. In the 2005 fiscal year, the CBED Program awarded fourteen grants totaling \$200,795 to community-based nonprofit organizations. This sum was matched by an additional \$900,935 in cash and in-kind services for community-based economic development projects. Also in 2005, fourteen community organizations completed their CBED grants and reported that one hundred seventy-three jobs were created or sustained. Your Committee finds that making an appropriation to the CBED Program will allow the program to continue to provide financial assistance to community-based nonprofit organizations.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2065 Business and Economic Development on S.B. No. 2549

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the total amount not to exceed \$15,000,000 to assist Rosette Steel Hawaii, LLC in manufacturing steel products for affordable houses.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Rosette Steel Hawaii, LLC.

Part III, chapter 39A, Hawaii Revised Statutes, authorizes the Department of Budget and Finance with the approval of the governor, to issue special purpose revenue bonds in a total amount not to exceed \$15,000,000 for the purpose of assisting a manufacturing enterprise. Your Committee finds that the manufacturing of steel products constitutes a project as defined in part III, chapter 39A, Hawaii Revised Statutes, and the financing of such manufacturing is assistance to a manufacturing enterprise.

Your Committee has amended this measure to clarify that Rosette Steel Hawaii is a limited liability corporation.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2066 Business and Economic Development on S.B. No. 2864

The purpose of this measure is to appropriate funds for one board and commission administrative assistant position with the Department of Business, Economic Development, and Tourism to provide administrative support to the Small Business Regulatory Review Board.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Office of Economic Development, County of Maui; and the Small Business Regulatory Review Board.

In 1998, the Small Business Regulatory Review Board was created and charged with the responsibility of reviewing any rule adopted by a state agency at the request of a small business owner and of recommending to a state agency or the legislature changes rule or statutes. Currently the Small Business Regulatory Board has insufficient staff resources and technical expertise to provide all the required support to accomplish these objectives. Your Committee finds that appropriating funds to the Department of Business, Economic Development, and Tourism for a board and commission administrative assistant will enable the Small Business Regulatory Review Board to continue to perform its important mission with the dedicated support staff that is necessary for its success.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2864 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2067 (Majority) Business and Economic Development on S.B. No. 3110

The purpose of this measure is to make an appropriation for the Department of Land and Natural Resources to purchase the 1.6-acre Waiehu Beach Park on Maui from Wailuku Agribusiness Company, Inc.

Your Committee received testimony in support of this measure from a councilmember from the Maui County Council; Wailuku Agribusiness Company, Inc.; and ten private individuals. Testimony in opposition was received from the Department of Land and Natural Resources.

Wailuku Agribusiness Company, Inc. is in the process of selling its assets, including Waiehu Beach Park on Maui, which has been for many years a favorite ocean recreation area for tourists and residents. Your Committee finds that making an appropriation for the Department of Land and Natural Resources to purchase Waiehu Beach Park will allow tourists and residents to continue to use and enjoy the beach park.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3110 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 1 (Ige).

SCRep. 2068 (Joint) Tourism and Business and Economic Development on S.B. No. 2965

The purpose of this measure is to amend Act 178, Session Laws of Hawaii 2005, the general appropriations Act, to add a proviso to transfer a sum of money from operating expenses of the Hawaii Tourism Authority (HTA) to the economic planning and research program of the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committees received testimony in support of this measure from DBEDT and HTA.

The sum involved is \$1,327,887 which was designated as a "B" expenditures from the general fund. This measure designates the same appropriation as a "U" funds for interdepartmental transfer.

According to testimony of DBEDT, the funds involved are for producing basic data on tourism in Hawaii. These funds should appropriately be transferred from the HTA rather than expended from the tourism special fund. This amendment is important for the fiscal management of funds and will have no impact upon the operations or effectiveness of DBEDT's tourism data program.

Your Committees have amended this measure on the recommendation of DBEDT as follows:

- (1) Deleting reference to the tourism special fund; and
- (2) Making the transfer for fiscal year 2006-2007.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2965, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2965, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hee, Menor, Nishihara, Sakamoto).

SCRep. 2069 (Majority) Tourism on S.B. No. 2966

The purpose of this measure is to increase from \$31,000,000 to \$35,000,000 the cap on the 17.3 per cent in transient accommodations tax (TAT) collections that are deposited into the convention center enterprise special fund.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA), Department of Business, Economic Development, and Tourism, Hawaii Hotel & Lodging Association, and Outrigger Hotels and Resorts. Testimony in opposition was received from the HGEA. Comments were received from the Department of Taxation.

According to testimony of the HTA, the current \$31,000,000 limit on deposits into the convention center enterprise special fund is insufficient to maintain the facility at the level expected of a world-class facility. Major repairs such as replacement of the air conditioning system and similar projects can easily cost up to \$6,000,000. With the Hawaii Convention Center nearly ten years old, the major repairs will become more frequent. The alternative is to appropriate capital improvement funds for maintenance and repair, which is poor fiscal management. Ideally, the HTA should have a reserve fund for major maintenance.

Your Committee requests the HTA to administratively create a maintenance reserve fund from unused or unencumbered revenues in the convention center enterprise special fund. Your Committee finds that section 237D-6.5(b), Hawaii Revised Statutes, can be read as allowing for "excess" revenues to be deposited into a reserve fund rather than the general fund, inasmuch as the reserve fund for major maintenance and repair would serve the same purpose as the convention center enterprise special fund.

Your Committee remains concerned with the loss of transient accommodations tax (TAT) revenues from the recent surge of hotels that convert to condominiums and time share plans. In the case of time share plans, TAT revenue is reduced because of a loss of per night room revenues. In the case of condominium conversions, the hotel is no longer a hotel and so the TAT is lost entirely. In the

case of conversion of hotels to condominiums that still operate as hotels, creating in effect a hybrid operation, TAT revenue is also reduced because there are fewer hotel rooms and a "condo-hotel" may not be taxable as a "hotel."

Your Committee has amended this measure by adding a provision to apply the TAT to hotel conversions as a surcharge tax in an amount equal to fifty percent of the previous two years of TAT revenues from the hotel.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2966, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Hee, Nishihara).

SCRep. 2070 Tourism on S.B. No. 2974

The purpose of this measure is to repeal part I of Act 58, Session Laws of Hawaii 2004, to make permanent the power of the Hawaii Tourism Authority (HTA) to hire an attorney for specialized services, supervise its own accounts, appoint a sports coordinator, and expend five per cent of special fund moneys for administration.

Your Committee received testimony in support of this measure from the HTA, Hawaii Hotel & Lodging Association, and Outrigger Hotels and Resorts. Testimony in partial opposition was received from the State Attorney General.

The provisions of Act 58 which are the subject of this measure were intended to allow the HTA to execute its financial transactions more effectively, perform its contracts on a timely basis, improve its overall efficiencies, and be more responsive to stakeholders. According to testimony of the HTA, the intent of these provisions have been met and exceeded. Therefore, the sunset of these provisions in Act 58 should be removed and the provisions made permanent.

Your Committee was concerned in 2004 that the Attorney General was not providing the HTA with timely legal advice and contract reviews while the administration was unduly delaying the appointment of an overall sports coordinator for the HTA. Your Committee finds that the provisions of Act 58 have resulted in drastic improvements relating to the above-mentioned issues, and feel that Act 58 should be made permanent.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2974 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 2071 Tourism on S.B. No. 2975

The purpose of this measure is to exempt the operator of the Hawaii Convention Center from the general excise tax for amounts received for reimbursement of costs or advances made under contract with the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Department of Taxation (DOTAX) and the Hawaii Tourism Authority (HTA).

According to testimony of the DOTAX, the general excise tax reimbursement exemption under current law cannot be interpreted to apply to third party management companies such as the operator of the Hawaii Convention Center. The HTA reimburses the operator for expenses and pays a management fee. This measure would exempt from the general excise tax the amounts received by the operator as the reimbursements.

According to an Attorney General opinion, dated February 8, 2006, addressed to your Committee pursuant to a verbal request at a hearing on February 7, 2006, the DOTAX was correct in its interpretation and application of the general excise tax in regard to the operator of the Hawaii Convention Center.

Your Committee finds that the operator of the Hawaii Convention Center should be liable only for the general excise tax on the fee it collects from the HTA. Inasmuch as the center is a state facility, operational expenses should not be subject to the general excise tax.

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

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2975, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2975, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Hee).

SCRep. 2072 Tourism on S.B. No. 3114

The purpose of this measure is to make an appropriation from the tourism special fund for the community work day program.

Your Committee received testimony in support of this measure from the Windward Ahupua`a Alliance. Testimony in opposition was received from the Hawaii Tourism Authority and the Hawaii Hotel & Lodging Association.

The community work day program is part of the national Keep America Beautiful program, which partners with businesses and uses in-kind donations to create successful education and action-oriented programs for island-wide cleanups, roadside beautification programs, and cleanup of polluted water bodies, among other clean environment efforts.

The community work day program was previously administered by the State's litter control office, established by chapter 339, Hawaii Revised Statutes, which existed from 1977 until 1996, when it was administratively closed due to budgetary constraints. The legislature finds that the office provided a critical, necessary, and strategic service to the public in serving as the focal point to plan, coordinate, and implement litter control efforts.

The litter control office was very successful in its efforts to clean up, prevent, and educate the public about litter. Among its accomplishments were: an annual statewide recycling campaign, including a fundraising program for businesses; an annual statewide litter campaign; involvement of volunteers from organizations; a training program for volunteers; resolution of complaints about littered sites and abandoned vehicles; fundraising from organizations and individuals; establishment of partnerships with civic and community groups, school and other youth organizations and businesses; a community work day program; and a shoreline and coastal cleanup.

Your Committee notes the testimony of Windward Ahupua`a Alliance about its recent litter pick-up event that yielded fifty fifty-five gallon bags of litter and trash within a confined area, with much of this being recyclable materials.

Your Committee has amended this measure to provide that the appropriation be made twenty-five percent from the Hawaii Tourism Authority community product enrichment program fund and seventy-five percent from the deposit beverage container deposit special fund. The unsightly nature of litter impacts the tourism industry for purposes of the tourism special fund. The community work day program yields a great amount of recyclable material, which can be considered a recycling education and demonstration project for purposes of the deposit beverage container deposit special fund.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3114, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 2073 (Joint) Tourism, Media, Arts Science and Technology and Education and Military Affairs on S.B. No. 3062

The purpose of this measure is to appropriate moneys to the Pacific Aviation Museum at Pearl Harbor for Phase II of the museum's development.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, and the Pacific Aviation Museum.

The Pacific Aviation Museum at Pearl Harbor is a not-for-profit, tax-exempt Internal Revenue Code 501(c)(3) organization established in 1999. The museum's purpose is to develop a portion of Ford Island into a world-class aviation museum that will honor the patriotism, valor, and sacrifice made by aviators and their ground support personnel in the defense of freedom in the Pacific. The scope of the new museum will include World War II, the Korean War, the Cold War, the Vietnam conflict, and current American air power. It will feature diorama exhibits, period and reproduction aircraft, an aviation education center, a flight simulation center, a theater, a museum store, a food service area, and a library.

Additional state funds are necessary to provide the foundation for Phase II of the museum to be housed in Hangar 79 on Ford Island. Phase II development shall include the planning, designing, and construction to improve and restore Hangar 79. The current cost to complete Phase II is estimated at \$30,000,000. Phase II exhibits will encompass the campaigns of World War II, and an introduction to the Korean War and the Vietnam conflict. The museum will complete its fundraising in Hawaii over the next eighteen months and will then launch a national campaign to fund the balance of Phase II. The State's ongoing support is extremely important in demonstrating to potential mainland funding sources the State's strong backing of this important new initiative. This museum will be the most significant new amenity to Hawaii's tourism and education infrastructure since the arrival of the USS Missouri eight years ago. The State must appropriate the crucial funds to preserve aviation history and honor those who fought for our freedom.

According to testimony of the Pacific Aviation Museum, it is anticipated that a vast majority of the funding, approximately eighty-eight percent, will come from the mainland and the federal government. To date, the museum has raised over \$11,300,000, including \$8,100,000 from the federal government.

As affirmed by the records of votes of the members of your Committees on Tourism and Media, Arts, Science, and Technology and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3062 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Chun Oakland, English, Espero, Hee).

SCRep. 2074 Education and Military Affairs on S.B. No. 204

The purpose of this measure is to appropriate funds for a grant to the United Service Organizations for welcome home celebrations for members of the Hawaii national guard in the counties of Hawaii, Maui, and Kauai.

Your Committee received testimony in support of this measure from the Department of Defense, the Chamber of Commerce of Hawaii, and USO Hawaii.

Your Committee finds that this grant will be of great benefit to the returning troops on the neighbor islands.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, S.D. 2, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2075 Education and Military Affairs on S.B. No. 640

The purpose of this measure is to provide salaries for Board of Education members, and to require them to serve full-time.

Your Committee received testimony in support of this measure from the Board of Education.

Your Committee finds that the duties of Board of Education members are extensive and merit a salary. The responsibilities of the board have grown over the years to demand a time commitment that should be fairly compensated.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 640, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2076 Education and Military Affairs on S.B. No. 2026

The purpose of this measure is to appropriate funds in the sum of \$40,000 to establish an additional instructor position for the Army Junior Reserve Officers' Training Corps (JROTC) program at Baldwin High School.

Testimony in support of this measure was submitted by two instructors from Baldwin High School.

Your Committee finds that the JROTC program at Baldwin High School is an exceptionally successful program with an increasing enrollment that requires an additional instructor.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2077 (Joint) Education and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 2173

The purpose of this measure is to require service learning opportunities for all public school students.

Your Committees received testimony in support of this measure from the Department of Education, State Farm Mutual Automobile Insurance Company, and Youth Service Hawaii.

Your Committees find public benefit in service learning that engages youth to meet pressing community needs. Service learning will lead to a lifetime of civic engagement and service to the community.

Your Committees have amended this measure to reflect an appropriation amount provided by the Department of Education.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2173, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2173, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Ihara, Tsutsui, Hogue)

SCRep. 2078 Education and Military Affairs on S.B. No. 2648

The purpose of this measure is to appropriate funds to the State of Hawaii Department of Defense for a newsletter to inform returning veterans of benefit changes and the availability of supportive services and programs.

Testimony in support of this measure was submitted by the Office of Veterans Services, State of Hawaii Department of Defense; the Advisory Board on Veterans Services, State of Hawaii, Department of Defense; the Oahu Veterans Council; the Honolulu Chapter No. 3, Disabled Americans Veterans; and the Veterans Administration Advisory Board at the Sparky Matsunaga Medical Center.

Your Committee finds that a newsletter such as the one proposed by this measure is sorely lacking in the veteran community. The relatively minimal financial support for these newsletters will provide invaluable support to our returning troops.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2648, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2079 Education and Military Affairs on S.B. No. 2732

The purpose of this measure is to ensure that the individualized education program of each blind or visually impaired child includes provisions for instruction in braille and the use of braille appropriate to the child's current and future literary needs.

Your Committee received testimony in support of this measure from the Department of Education, the Department of Human Services, the National Federation of the Blind of Hawaii, Hawaii Centers for Independent Living, the Hoopono Advisory Board, and ten private individuals. Testimony in opposition was received from the Hawaii Teacher Standards Board.

Your Committee finds that increased braille instruction is necessary to build the literacy skills of blind and visually-impaired children so that they may be better equipped to compete with their counterparts with sight.

The measure has been amended to reflect all the changes proposed by the Department of Education, which suggested omitting the "computer-accessible format capable of braille reproduction" language, clarified the necessary documentation required for each individualized education program, and substituted the certification authority for braille literacy for ESLL teachers.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2732, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2080 Education and Military Affairs on S.B. No. 2880

The purpose of this measure is to create a special fund to reimburse the life insurance premiums of members of the national guard deployed to war zones.

Testimony in support of this measure was submitted by the State of Hawaii Department of Defense, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the Armed Services Committee of the Chamber of Commerce of Hawaii, and one individual.

Your Committee finds that there is a decreasing number of soldiers who would be eligible to receive benefits from this fund, and that the cost of this measure is estimated at about \$30 per soldier.

Your Committee has amended this bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2880, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2081 Education and Military Affairs on S.B. No. 2886

The purpose of this measure is to direct the Department of Education to establish a program to award high school diplomas to armed services veterans drafted during World War II, the Korean conflict, and the Vietnam War, as well as to those individuals whose schooling was interrupted due to wartime practices.

Testimony in support of this measure was submitted by the Office of Veterans Service, State of Hawaii Department of Defense; the Advisory Board on Veterans Services, State of Hawaii Department of Defense; the Department of Education; the Hawaii National Guard Association and the Hawaii National Guard Enlisted Association; the Military Affairs Council of the Chamber of Commerce of Hawaii; and the past President of the Hawaii National Guard Association.

Your Committee finds that these honorary diplomas to resident veterans are long overdue and represent but a small compensatory token to repay these veterans who were drafted into military service.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2886, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2082 Education and Military Affairs on S.B. No. 3061

The purpose of this measure is to make an appropriation for the construction of phase III of the Oahu veterans center.

Testimony in support of this measure was submitted by the Department of Defense and the Oahu Veterans Council.

Your Committee finds that this appropriation will complete the much-needed Oahu veterans center, which will be used extensively by veterans statewide.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3061 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2083 Judiciary and Hawaiian Affairs on S.B. No. 650

The purpose of this measure is to make an appropriation for the Weed and Seed Strategy.

Testimony in support was submitted by the Attorney General, the Honolulu Police Department, and Aloha United Way.

Your Committee finds that the Weed and Seed Strategy has been successful since its inception in the Kalihi-Palama and Chinatown areas of downtown Honolulu. Since the beginning of the program, crime in those areas has been significantly reduced and the program's success warrants its expansion into other communities.

Your Committee amended this measure to incorporate an amendment suggested by the Attorney General to specify that the funds be appropriated as a grant to the Honolulu YMCA with the Department of the Attorney General as the expending agency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 650, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2084 Judiciary and Hawaiian Affairs on S.B. No. 992

The purpose of this measure is to establish requirements for per diem judges, including for their nomination, discipline, minimum days of service, and reappointment.

Testimony in support of this measure was submitted by the Office of the Public Defender and an individual. The Judiciary submitted testimony in opposition to this measure.

Your Committee finds that there is some concern over the quality of per diem judges, as well as their selection and retention.

Your Committee amended this measure to:

- (1) Delete the requirement that per diem district judges serve a minimum of three days per month, to address a concern by the Judiciary; and

- (2) Provide that per diem district judges shall serve no more than three consecutive terms unless, based upon the discretion of the chief justice, the per diem district judge is recommended for additional consecutive terms and the recommendation is submitted to the judicial selection commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2085 Judiciary and Hawaiian Affairs on S.B. No. 2240

The purpose of this measure is to provide for the authorization and payment of claims against the State for refunds of taxes, for judgments and settlements, and other miscellaneous payments.

Your Committee received testimony in support of this measure from the Attorney General.

This measure provides authorization and payment to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, and settlement. The bill as referred to this Committee contained nine claims that total \$653,865.08.

Your Committee amended this measure to incorporate four new claims resolved for an additional \$2,097,000 in accordance with the testimony provided by the Attorney General. The measure, as amended herein, now reflects a total of \$2,750,865.08 to be allocated among thirteen claims.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2086 Judiciary and Hawaiian Affairs on S.B. No. 2561

The purpose of this measure is to appropriate funds to the Office of Information Practices for the 2006-2007 fiscal year.

Testimony in support of this measure was submitted by the Office of Information Practices, Life of the Land, the League of Women Voters, and an individual.

Your Committee finds that the Office of Information Practices requires an appropriation of \$95,000 to allow the office to hire an additional staff attorney, an additional secretary/staff person, and to provide further educational services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2561 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2087 Judiciary and Hawaiian Affairs on S.B. No. 2593

The purpose of this measure is to exempt court proceedings under chapter 587, the Child Protective Act, from court fees.

The Judiciary testified in support of this measure.

This measure clarifies that filing fees are not to be assessed for any document filed in cases under chapter 587. There has been a long-standing practice not to assess filing fees for chapter 587 cases.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2088 Judiciary and Hawaiian Affairs on S.B. No. 2598

The purpose of this measure is to extend the sunset date for deposits of fees for electronic filing, signing, serving, certification and verification of court documents into the judiciary computer system special fund from June 30, 2007 to December 31, 2008.

The Judiciary testified in support of this measure.

Act 230, Session Laws of Hawaii, 2004, was enacted to provide funds for the judiciary information management system (JIMS) project. Section 6 of Act 230 is currently set to be repealed on June 30, 2007 and the Judiciary has requested additional time so that all JIMS modules may be implemented. This measure, part of the Judiciary's 2006 legislative package, would extend the sunset date for section 6 of Act 230 from June 30, 2007 to December 31, 2008.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2089 Judiciary and Hawaiian Affairs on S.B. No. 2730

The purpose of this measure is to make an appropriation to the Hawaii State Commission on the Status of Women.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Honolulu County Committee on the Status of Women, the Hawaii Women's Coalition, the Sex Abuse Treatment Center, TJ Mahoney & Associates, the American Civil Liberties Union, and three individuals.

Your Committee finds that the Hawaii State Commission on the Status of Women was established in 1964 and that in its forty-two years has been active in ensuring women and girls full and equal coverage under the law. Your Committee notes that the dollar amount to be appropriated should be \$50,000, based upon the testimony provided by the Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2730 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2090 Judiciary and Hawaiian Affairs on S.B. No. 2926

The purpose of this measure is to appropriate funds to the Department of Public Safety for the expansion of work furlough programs.

Testimony in support of this measure was submitted by the Department of Public Safety, A Woman's Voice International, Community Alliance on Prisons, TJ Mahoney & Associates, Ka Hale Ho`ala Hou No Na Wahine, Office of Hawaiian Affairs, and the Hawaii Women's Coalition. Fourteen individuals also submitted testimony in support of this measure.

Your Committee finds that there is a need for the expansion of the existing work furlough programs and facilities to provide the opportunity for additional inmates to participate in a transitional program from incarceration to independent living in the community. The expansion of the work furlough program will provide meaningful work experiences, the development of healthy attitudes toward work, and the opportunity to allow more inmates to become economically self-sufficient. The Department of Public Safety testified that 2,725 additional transitional beds are required at an estimated \$80 per day, which is more than the current amount of \$68.50 per day currently expended by the State, but less than the \$111 per day expended by the federal government.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2091 Judiciary and Hawaiian Affairs on S.B. No. 2932

The purpose of this measure is to require the circuit and district courts to be open to conduct judicial business during extended hours.

Testimony in opposition to this measure was submitted by the Judiciary and the Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the intent of this bill is to decrease the number of pre-trial detainees held in overcrowded jails awaiting a court hearing and to allow for warrants to be processed in a more timely manner.

In order to keep this measure alive for continued discussion, your Committee has amended this bill to insert a defective effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2932, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2092 Judiciary and Hawaiian Affairs on S.B. No. 2943

The purpose of this measure is to make an appropriation to hire monitors for out-of-state correctional facilities that house Hawaii inmates.

Testimony in support of this measure was submitted by the Department of Public Safety, A Woman's Voice International, and the Community Alliance on Prisons. Three individuals also submitted testimony in support of this measure.

Your Committee finds that the Department of Public Safety has reported that as of June 2005, it has maintained a total of 1,730 inmates in four states other than Hawaii at a cost of \$33,179,292.95 and is requesting \$12,133,586 in its supplemental budget request to house an additional 701 inmates.

Your Committee amended this measure to incorporate the exact cost of housing the 1,730 inmates in out-of-state facilities and the number of inmates anticipated to be sent to mainland facilities in the future, as well as the exact amount of money being requested by the Department of Public Safety for the transfer of these additional inmates.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2943, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2093 Judiciary and Hawaiian Affairs on S.B. No. 2947

The purpose of this measure is to establish criteria for contracts between the Department of Public Safety and out-of-state facilities that house Hawaii inmates.

Testimony in support of this measure was submitted by A Woman's Voice International and the Community Alliance on Prisons. Two individuals also submitted testimony in support of this measure. The Department of Public Safety submitted testimony in opposition to this measure.

Your Committee finds that with almost fifty per cent of Hawaii's prison population being housed in out-of-state facilities, it is crucial that criteria be set and adhered to when prisoners are transferred out-of-state.

Your Committee amended this measure to require contracts between the Department of Public Safety and out-of-state facilities to:

- (1) Require out-of-state facilities to furnish the Department of Public Safety with a list of their staff training programs, as well as a description of the training. This information is required to be posted on the Department of Public Safety's website;
- (2) Clearly state whether the policies and procedures for discipline to be used are those of the State or of the state in which the out-of-state facility is located;
- (3) Cooperate with the Office of the Ombudsman in the event of an investigation of the out-of-state facility by the Office of the Ombudsman; and
- (4) Require that all contracts awarded under this measure be placed on the Department of Public Safety's website for public viewing.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2947, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2094 Judiciary and Hawaiian Affairs on S.B. No. 3217

The purpose of this measure is to make an appropriation to the Department of Public Safety for expenditures by the Sheriff Division for personnel, vehicles, and equipment.

Testimony in support of this measure was submitted by the Judiciary and the Department of Public Safety.

Your Committee finds that this measure would augment security and law enforcement services for the State by giving the Sheriff's Division the personnel, vehicles, and equipment necessary to carry out its responsibility to protect the public.

Your Committee amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3217, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2095 Judiciary and Hawaiian Affairs on S.B. No. 3234

The purpose of this measure is to establish a fee schedule for court-appointed fact finders to assist family court judges in determining child custody and visitation arrangements.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence. Three individuals also submitted testimony in support of this measure. The Judiciary took no position on this measure.

Your Committee finds that, based upon testimony from the Judiciary, rather than "fact finders," the term "custody evaluator" is a more appropriate term for the purpose of this measure.

Your Committee has amended this measure to change references of "fact finders" to "custody evaluators."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3234, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2096 Judiciary and Hawaiian Affairs on S.B. No. 3267

The purpose of this measure is to make an appropriation to the Domestic Violence Clearinghouse and Legal Hotline.

Testimony in support of this measure was submitted by the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii Coalition Against Domestic Violence, the Director of Practicum of the School of Social Work at the University of Hawaii, Manoa, and seven individuals.

Your Committee finds that domestic violence is a serious and escalating problem that affects the health and well being of Hawaii's families. The amount of \$1,013,609, as referenced in the Domestic Violence Clearinghouse and Legal Hotline's testimony, is necessary to reduce the burden, raise the capacity, and enhance the overall success of Domestic Violence Clearinghouse and Legal Hotline in Hawaii.

Your Committee has amended this measure to designate the Judiciary as the expending agency and to delete any references to attorney and paralegal positions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3267, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2097 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 2036

The purpose of this measure is to make a one-time appropriation to the High Technology Development Corporation (HTDC) to:

- (1) Provide the necessary start-up funding to operate international business and technology incubator programs; and
- (2) Enable state residents to acquire the bilingual language skills, technology, and marketing necessary to implement incubator programs in China, Japan, and Hawaii.

Your Committees received testimony in support of this measure from the High Technology Development Corporation.

The Hawaii Technology Development Corporation has provided effective technology incubation programs for Hawaii-based start-up companies for more than twelve years and during that time, has assisted more than two hundred companies launch their operations in Hawaii. Additionally, HTDC has assisted more than fifty U.S. mainland technology firms to phase in their operations in Hawaii.

HTDC wants to expand its business and technology-based incubation services to foreign technology companies seeking to gain a presence in Hawaii. During the summer of 2005, HTDC entered into cooperative agreements with incubator programs in Beijing and Shanghai to share resources and offices in China and Hawaii. Hawaii is an attractive alternative to other technology incubator programs elsewhere because of its closer proximity to Asia and the State's culturally diverse population. An international expansion of the incubator program will create more business and technology-based jobs, economic diversity, and new external sources of tax revenues for the State.

Your Committees find that making an appropriation to the High Technology Development Corporation will provide the necessary start-up funding to operate international business and technology incubator programs. Expansion of the business and technology incubator programs will enable state residents to acquire the bilingual language skills, technology, and marketing necessary to implement incubator programs in China, Japan, and Hawaii.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2036 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Menor, Trimble).

SCRep. 2098 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 2269

The purpose of this measure is to allow the deposit of money received as loan repayments under the Hawaii Capital Loan Program to be redirected from the general fund to the Hawaii Strategic Development Corporation (HSDC) revolving fund.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Section 7, Act 178, Session Laws of Hawaii 2003, repealed section 210-3, Hawaii Revised Statutes, and eliminated the Hawaii Capital Loan Revolving Fund into which had been deposited all moneys received as repayments to the Hawaii Capital Loan Program. As a result, payments made subsequent to the repeal of the revolving fund were diverted to the general fund. During the 2005 legislative session, the staff and expenses of the Hawaii Capital Loan Program were transferred to the Hawaii Strategic Development Corporation, but without their associated revenues derived from the principal and interest payments under the Capital Loan Program.

Your Committees find that redirecting the associated revenues with the transferred liabilities of the Capital Loan Program from the general fund to the HSDC revolving fund will appropriately redirect the revenues of the Hawaii Capital Loan Program with its associated transfer of personnel and operating expenditures to HSDC. The transfer will also ensure that the administration of the loan program portfolio is properly maintained.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2269 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Menor, Trimble).

SCRep. 2099 (Joint) Media, Arts, Science and Technology and Tourism on S.B. No. 2968

The purpose of this measure is to establish a museum of Hawaiian music and dance committee to determine the appropriate type of institution that should be established, its location, and possible financing mechanisms, and to complete an initial business plan for the museum of Hawaiian music and dance.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Tourism Authority; the State Foundation on Culture and the Arts; The Hawaiian Music Hall of Fame; and two individuals.

The economic viability of Hawaii's tourism is heavily dependent upon the Hawaiian culture. The culture of the indigenous people is unique and of critical importance in differentiating Hawaii from other visitor destinations. Tourism promotions, particularly through media such as music and dance, have relied upon Hawaiian culture as the number one marketing tool and as the foundation for perpetuating the spirit of aloha that is vital to the economic success of the industry. The National Academy of Recording Arts and Sciences has recently added the new category of best Hawaiian Music Album to the prestigious Grammy Awards, thereby creating new audiences for Hawaiian music around the world.

The history of Hawaiian music and dance demonstrates a proud statement of cultural identity. A compilation of collective works and related memorabilia of exceptional individuals who are highly regarded in their respective fields of endeavor will preserve and perpetuate the Hawaiian culture as well as promote appreciation for these art forms for present and future generations.

Your Committees note from the testimony that one representative on the committee should be from a hula festival organization, to be chosen by the President of the Senate and the Speaker of the House of Representatives.

Your Committees have amended this measure by adding a representative to the committee from the Hawaiian Music Hall of Fame.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2968, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2968, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Espero, Hee, Hogue).

SCRep. 2100 Media, Arts, Science and Technology on S.B. No. 3111

The purpose of this measure is to establish a commission which will be in charge of the arrangements for recognizing and honoring Congresswoman Patsy T. Mink.

Your Committee received testimony in support of this measure from United States Congressman Neil Abercrombie; United States Congressman Ed Case; the Hawaii State Teachers Association; Americans for Democratic Action; and a private individual.

Congresswoman Patsy T. Mink made a tremendous impact on the people of Hawaii and the nation through her illustrious career as an outstanding public servant. During her political career, she served a total of thirty-three years in the Hawaii Territorial House and Senate, the Hawaii State Senate, the Honolulu City Council, and the United States House of Representatives. Congresswoman Mink is known for championing the rights of immigrants, minorities, women, families, and children. She overcame gender and racial discrimination to become one of the most influential leaders of her generation.

Congresswoman Mink's most prominent accomplishment is the landmark Title IX Amendment of the Higher Education Act, which she co-authored. The Act prohibits gender discrimination by federally funded educational institutions and guarantees equal federal support for women in academics and athletics. In addition to broadening the educational opportunities for girls and women, the groundbreaking law gave rise to women's athletic programs in American high schools, colleges, and universities.

Your Committee finds it appropriate to establish a temporary commission to recognize and honor Congresswoman Patsy T. Mink, and to place it within the Office of the Governor for administrative purposes. The commission shall conduct research and submit its recommendations to the legislature on how the State can honor Congresswoman Mink.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3111 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 2101 (Joint) Transportation and Government Operations and Media, Arts, Science and Technology on S.B. No. 2995

The purpose of this measure is to exempt the Natural Energy Laboratory of Hawaii (NELHA) from the procurement code.

Your Committees received testimony in support of this measure from NELHA. Testimony in opposition was received from the Department of Accounting and General Services, the State Procurement Office, and the American Council of Engineering Companies.

Your Committees find that a procurement exemption for the NELHA would make it more efficient in its procurement process and enable it to attract more competent service providers. Because NELHA is a unique agency that deals with various cutting-edge technology projects, it is sometimes not practical for NELHA to go through the procurement code process. Federal funds earmarked for NELHA are very difficult to pass through to contracted agencies under procurement code procedures.

Allowing NELHA to procure goods and services without the necessity of going through the procurement process would give NELHA the opportunity to work with universities and laboratories conducting research on a continual contract basis, particularly when federal moneys are involved. Your Committees have been advised that NELHA is subject to periodic federal government audits in connection with the expenditure of federal funds.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2995 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, English, Ihara, Kanno, Menor).

SCRep. 2102 (Joint) Transportation and Government Operations and Media, Arts, Science and Technology on S.B. No. 2996

The purpose of this measure is to exempt the Hawaii Strategic Development Corporation (HSDC) from the procurement code.

Your Committees received testimony in support of this measure from HSDC. Testimony in opposition was received from the Department of Accounting and General Services, State Procurement Office, and American Council of Engineering Companies.

The Hawaii Strategic Development Corporation was created to address the critical shortage of seed and venture capital resources in the State.

Your Committees find that the nature of providing venture capital investment financing is not "procurement." In addition, the corporation needs to be able to respond very quickly when funds come on the market, or be precluded from doing any investment for perhaps several years. Therefore, your Committees find this exemption to be appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2996 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Ihara, Kanno, Menor).

SCRep. 2103 (Joint) Transportation and Government Operations and Media, Arts, Science and Technology on S.B. No. 2997

The purpose of this measure is to exempt the High Technology Development Corporation (HTDC) from the procurement code.

Your Committees received testimony in support of this measure from HTDC and High Technology Innovation Corporation. Testimony in opposition was received from the Department of Accounting and General Services and State Procurement Office.

Act 216, Session Laws of Hawaii 2004, repealed the procurement code exemptions for the High Technology Development Corporation in sections 206M-3, Hawaii Revised Statutes, relating to general powers of the corporation, and section 206M-42, Hawaii Revised Statutes, relating to special facility leases. However, Act 216 did not amend section 206M-16(b), Hawaii Revised Statutes, which provides an exemption for project agreements, construction contracts, lease and sublease agreements, or other contracts, unless a project agreement otherwise requires.

The Attorney General recommended, in testimony on October 24, 2005 before the Joint Legislative Procurement Task Force, that sections 206M-3 and 206M-42, Hawaii Revised Statutes, be amended to restore the exemptions that were repealed by Act 216 if the intent of the legislature is to confer a broad procurement exemption on the corporation.

Your Committees find that the one current exemption under section 206M-16(b), Hawaii Revised Statutes, is too specific to be read as a broad exemption and therefore this exemption is appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2997 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Ihara, Kanno, Menor).

SCRep. 2104 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 2261

The purpose of this measure is to authorize the Department of Health to permit law enforcement officers to inspect public health statistics records and issue a certified copy of these records to law enforcement officers.

Your Committees received testimony in support of this measure from the Attorney General, City and County of Honolulu Police Department, and the County of Hawaii Police Department.

Your Committees find that law enforcement officers need access to public health statistics records in order to investigate crimes effectively and in a timely manner. Thus, it is appropriate to authorize the Department of Health to permit this access to law enforcement officers while protecting the privacy of those records.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2261 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Tsutsui).

SCRep. 2105 Judiciary and Hawaiian Affairs on S.B. No. 2723

The purpose of this measure is to increase the fee paid to an examiner performing a court-ordered mental health examination of a criminal defendant.

Testimony in support of this measure was submitted by the Office of the Public Defender, the Department of Health, the Hawaii Disability Rights Center, and the Hawaii Psychiatric Medical Association. The Judiciary took no position on this measure.

Your Committee finds that the fee for court-ordered examiners has not increased since 1992. It is not cost-effective for a private practice mental health professional to spend a full day travelling to, interviewing, and evaluating a criminal defendant for that sum.

Your Committee made technical nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2723, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2106 Judiciary and Hawaiian Affairs on S.B. No. 2797

The purpose of this measure is to propose an amendment to the Hawaii Constitution to raise the mandatory retirement age for judges from seventy years to eighty years.

Testimony in opposition to this measure was submitted by the Attorney General.

Your Committee finds that this measure should pass through this Committee to allow the voters to decide the appropriate retirement age for Hawaii's judges.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2797 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2107 Judiciary and Hawaiian Affairs on S.B. No. 2945

The purpose of this measure is to appropriate funds to the Department of Public Safety for the construction of an additional women's correctional center and facility.

Your Committee received testimony in support of this measure from A Woman's Voice International, and the Community Alliance on Prisons. Two individuals also submitted testimony in support of this measure. The Department of Public Safety testified that it is premature to seek additional funds to construct an additional women's correctional center and facility.

Your Committee finds that the existing Women's Community Correctional Center is inadequate to accommodate all of Hawaii's female inmates. This measure would appropriate funds for the construction of an additional women's correctional center and facility in order to meet the needs of the current and projected number of female inmates.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2945 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2108 Judiciary and Hawaiian Affairs on S.B. No. 3010

The purpose of this measure is to make an appropriation for community placement programs for female offenders transitioning from prison to the community.

Your Committee received testimony in support of this measure from the Department of Public Safety, A Woman's Voice International, Community Alliance on Prisons, TJ Mahoney & Associates, Ka Hale Ho'ala Hou No Na Wahine, Office of Hawaiian Affairs, Hawaii Women's Coalition, Planned Parenthood of Hawaii, Drug Policy Forum of Hawaii, and Drug Policy Action Group. Fifteen individuals also submitted testimony in support of this measure.

Your Committee finds that community placement programs are the final phase of transitional programming for women inmates and are a key component to the re-entry process.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3010, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2109 Judiciary and Hawaiian Affairs on S.B. No. 3119

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

Testimony in support of this measure was submitted by the Hawaiian Homes Commission. The Department of Budget and Finance submitted comments.

Your Committee finds that this measure authorizes the Hawaiian Homes Commission to manage, invest, and reinvest moneys in the trust fund. It also authorizes the commission to hold, purchase, sell, assign, transfer, or dispose of any securities and investments and any proceeds from investments which trust fund moneys have been invested.

Based upon the testimony of the Department of Budget and Finance, your Committee has amended this measure to exempt moneys in this measure from the requirements of chapters 36 and 38.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3119, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2110 (Joint) Judiciary and Hawaiian Affairs and Energy, Environment, and International Affairs on S.B. No. 3175

The purpose of this measure is to establish environmental courts within the circuit court to handle complaints, administrative appeals, and other judicial proceedings of an environmental nature.

Testimony in support of this measure was submitted by the Nature Conservancy of Hawaii. The Judiciary submitted testimony in opposition to this measure.

Your Committees find that environmental disputes are currently dealt with in a variety of courts. This organizational structure inadvertently promotes inconsistent application of a wide variety of environmental laws. The establishment of environmental courts within the circuit court system will promote and protect Hawaii's natural environment through consistent and uniform application of environmental laws.

Your Committees amended this measure to make technical changes and to change the effective date.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3175, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hee, Hooser).

SCRep. 2111 (Joint) Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs on S.B. No. 3159

The purpose of this measure is to appropriate funds to install renewable energy systems for a model kahua kauhale or encampment on Kaho'olawe and to enable an ongoing evaluation of renewable resources on the island.

Kaho'olawe Island Reserve Commission, the President of the Waimea Hawaiian Civic Club, and one individual submitted testimony in support of this measure.

Your Committees find that the revitalization of Kaho'olawe represents a unique opportunity to build a model sustainable reserve based on innovative alternative energy and environmentally conscious technologies. Your Committee agrees with Kaho'olawe Island Reserve Commission that the use of such technologies is critical to ensuring compliance with the cultural, educational, and historical governing principles envisioned for the island and its water.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3159, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3159, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hee, Hooser).

SCRep. 2112 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 2119

The purpose of this measure is to provide a tax credit for the purchase of equipment to convert a vehicle to low emission, energy-efficient technologies, including the cost of conversion, up to fifty percent of the cost or \$2,500.

The Rocky Mountain Institute, The Gas Company, and the Hawaii Automobile Dealers' Association submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism and the Department of Taxation submitted comments.

Your Committees find that the use of low emission energy efficient fuels is in the public interest as it addresses serious concerns about the environment and our dependence on petroleum based fuels. The cost of low emission energy efficient technologies remains high in relation to motor vehicles that employ more traditional technologies. As a result, consumers who might otherwise choose a low emission energy efficient vehicle are forced by economic necessity to continue to use motor vehicles that are fueled by more conventional means. This measure helps defray the cost of converting a motor vehicle to operate exclusively on a low emission energy efficient fuel or in a dual fuel mode.

Upon further consideration, your Committees amended this measure by:

- (1) Providing that the tax credit shall be applied to the taxpayer's net income tax liability, if any, for the taxable year in which the credit is properly claimed;
- (2) Adding the appropriate effective date language for a tax law; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2119, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2119, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Hanabusa, Hee, Hooser, Kanno, Menor).

SCRep. 2113 Education and Military Affairs on S.B. No. 2309

The purpose of this measure is to appropriate funds to the Department of Education to pay for electricity usage.

Testimony in support of this measure was submitted by the Department of Education (DOE).

Your Committee finds that pursuant to Act 178, Session Laws of Hawaii 2005, monies in excess of \$23,000,000 were appropriated to fund electricity costs for fiscal year 2005-2006. However, the projected actual cost of electricity for fiscal year 2005-2006 far exceeds the appropriation, leaving a substantial shortfall based upon actual and anticipated electricity usage and the increased cost of kilowatts/hour. Your Committee further finds that on November 3, 2005, Impact Act funds were allocated to the DOE's electricity budget to reduce the shortfall, but a deficit still remains. The DOE currently anticipates that it will run out of funds to cover electricity costs by April 2006 if additional funds are not appropriated. Your Committee determines that an emergency appropriation is necessary to ensure the uninterrupted provision of electricity for the DOE.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2309 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hogue).

SCRep. 2114 Education and Military Affairs on S.B. No. 2310

The purpose of this measure is to appropriate funds to the department of education to fund the student transportation program.

Testimony in support of this measure was submitted by the department of education (DOE).

Your Committee finds that the DOE student transportation branch provides school bus transportation services for students eligible under section 302A-406, Hawaii Revised Statutes. Pursuant to Act 178, Session Laws of Hawaii 2005, the DOE was appropriated funds in excess of \$25,000,000 for operation of the student transportation program for fiscal year 2005-2006. However, the projected actual cost to run the program for fiscal year 2005-2006 far exceeds the appropriation, leaving a substantial shortfall. Although the DOE has reallocated funds to reduce the shortfall, a deficit still remains. Your Committee further finds that approximately 43,500 students, including 3,500 special needs students, use the student transportation program. Many families, particularly those within the rural areas of the State, are highly dependent upon the program. Therefore, your Committee determines that an emergency appropriation is necessary to ensure the uninterrupted provision of student transportation services for our keiki.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2310 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hogue).

SCRep. 2115 Education and Military Affairs on S.B. No. 2452

The purpose of this measure is to reauthorize the appropriation of \$3,750,000 to build a gymnasium for Pahoia High and Intermediate School that will lapse on June 30, 2006.

Testimony in support of this measure was submitted by one member of the House of Representatives.

Your Committee finds that there is a pressing need for a gymnasium to be built for Pahoia High and Intermediate School because the current facility, due to age, use, and termite damage, is inadequate for the school's athletic programs. Your Committee finds that the community of Puna continues to work diligently on developing public-private partnerships to acquire land for the gymnasium and proceed with building the gymnasium once funding is released.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2116 Education and Military Affairs on S.B. No. 2587

The purpose of this measure is to authorize issuance of special purpose revenue bonds in an amount not to exceed \$6,000,000, in one or more series, for the purpose of assisting Kawaihāo School to finance the planning, construction, and improvement of its educational facilities in this State.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools, Kawaihāo School, and Kawaihāo Church. The Department of Budget and Finance submitted comments on the measure and noted no technical concerns with the measure.

Your Committee finds that the issuance of special purpose revenue bonds under this measure is in the public interest and for the public health, safety, and general welfare.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2587 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2117 Education and Military Affairs on S.B. No. 2703

The purpose of this measure is to encourage and support high school students who want to make a career of teaching in Hawaii public schools.

Testimony in support of this measure was submitted by the Department of Education, Leeward Community College, the Hawaii Alliance for Future Teachers, the University of Hawaii College of Education Alumni Association, the Teacher Education Program of Hawaii Pacific University, and twenty-one individuals associated with the Exploration in Education (Teacher Cadet) program.

Your Committee finds that the Teacher Cadet program was well-represented by its two student members and two program graduates who came to testify from Farrington High School, and that such programs make substantive investments in the future of Hawaii education.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2703, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2118 Education and Military Affairs on S.B. No. 2704

The purpose of this measure is to clarify that the account established for the school-level minor repairs and maintenance program is no longer funded by general funds.

Testimony in support of the measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the repeal of these accounts will provide public schools with more flexibility in spending their resources. School principals and the school community councils will now make the decision on how best to spend these funds.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2119 Education and Military Affairs on S.B. No. 2738

The purpose of this measure is to authorize the issuance of general obligation bonds to remedy any shortfall of moneys to acquire land to expand Kahuku High and Intermediate School.

Testimony in support of this measure was submitted by a complex area superintendent and principal from the Department of Education. The Board of Education submitted comments on this measure.

Your Committee finds that relocation of Kahuku High and Intermediate School to the land parcel identified as the “mauka property” in this measure is necessary because the current school campus is in a flood zone, and both the current and projected enrollments are above the capacity of the present campus. Your Committee further finds that the proposed land exchange agreement between the State and Hawaii Baptist Academy will provide the primary funds used for any land purchase under this measure.

Your Committee intends that the authorization of the issuance of general obligation bonds by this measure is to supplement any shortfall of monies, up to \$1,500,000, to complete the purchase of property under this measure.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2738 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2120 Education and Military Affairs on S.B. No. 2793

The purpose of this measure is to appropriate funds to support the Department of Education’s (DOE) website operations.

Testimony in support of this measure was submitted by the DOE, the Board of Education, the Hawaii State Teachers Association, and the Hawaii Business Roundtable.

Your Committee finds that the DOE’s website is a valuable tool for parents, educators, policy makers, employees, and the public. The website’s audience continues to expand, and the ability to provide information on the website must grow as well. Your Committee further finds that, pursuant to Act 221, Session Laws of Hawaii 2004, the legislature articulated the importance of a data-driven system to support educational achievement, which hinges on online accessibility of information. Although no funding has previously been allocated to maintain and support the DOE’s website, your Committee believes that the growing demand for information, coupled with the growing demand for access to online data and other information, necessitates the appropriation of funds to support, maintain, and upgrade the website.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2793 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2121 Education and Military Affairs on S.B. No. 3136

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Saint Louis School to finance or refinance the planning, acquisition, construction, and improvement of its educational facilities.

Testimony in support of this measure was submitted by the Board of Trustees and Administration of Saint Louis School, and by the Hawaii Association of Independent Schools. The Department of Budget and Finance submitted comments.

Your Committee finds that this measure is necessary and appropriate to show continued support for Hawaii schools.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2122 Education and Military Affairs on S.B. No. 3157

The purpose of this measure is to authorize the issuance of general obligation bonds for fiscal year 2006-2007 to plan, design, and construct the expansion of the existing Molokai public library.

Your Committee notes that this project is one of many that constitutes the Department of Education's repair and maintenance backlog. Your Committee finds that public libraries, in addition to public schools, need to be upgraded to meet the public need.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3157 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2123 Water, Land, and Agriculture on S.B. No. 2753

The purpose of this measure is to make an appropriation for the operation and maintenance of the East Kauai Irrigation System.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation (ADC); the Office of Hawaiian Affairs; the County of Kauai's Office of Economic Development; East Kauai Water Users' Cooperative; the Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; the Kauai County Farm Bureau; Pioneer Hi-Bred International, Inc.; and the Saiva Siddhanta Church.

Your Committee finds that reliable irrigation water is critical for the survival of agricultural crops in the State, and many of the irrigation systems, like the East Kauai Irrigation System, are experiencing difficulty in funding ongoing operations and maintenance of the systems. Thus, this measure appropriates moneys to provide the East Kauai Water Users' Cooperative to operate and maintain its irrigation system, provided that this funding does not replace any other moneys appropriated for fiscal year 2006-2007.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2753 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2124 Water, Land, and Agriculture on S.B. No. 2486

The purpose of this measure is to expand the number of members on the invasive species council and place the council with the Department of Land and Natural Resources (DLNR) for administrative purposes.

Testimony in support of this measure was submitted by the Conservation Council of Hawaii, Maui County Farm Bureau, the Nature Conservancy, and six individuals. Testimony in opposition to this measure was submitted by the Department of Agriculture and DLNR. Comments were submitted by the Hawaii Farm Bureau.

Your Committee finds that the Invasive Species Council is a very important agent in preventing, controlling, and eradicating invasive species in Hawaii, and the areas that are most affected by the invasive species are on the neighbor islands. Thus, this measure:

- (1) Repeals the sunset date for the Invasive Species Council, permanently placing it within DLNR for administrative purposes only; and
- (2) Increasing the number of council members to include eight members of the legislature to serve ex officio and in an advisory capacity, one from each county and four from each house.

Your Committee has amended this measure by:

- (1) Removing the requirement that the council members be appointed by the governor by January 1, 2004; and
- (2) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, S.D. 1, and be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2125 (Majority) Water, Land, and Agriculture on S.B. No. 2487

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

Testimony in support of this measure was submitted by Hui o Malama Kaka'ako Paka; U. Okada & Co., Ltd.; and seven individuals. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism. Comments were submitted by the City and County of Honolulu.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Hemmings). Excused, 2 (English, Hooser).

SCRep. 2126 Water, Land, and Agriculture on S.B. No. 2417

The purpose of this measure is to make an appropriation to eradicate and control the coqui frog.

Testimony in support of this measure was submitted by the Department of Agriculture, the Dean of the University of Hawaii's College of Tropical Agriculture and Human Resources, Conservation Council of Hawaii, Hawaii Association of Realtors, the Maui Outdoor Circle, the Nature Conservancy, and two individuals. Testimony in opposition to this measure was submitted by the Animal Rights Hawaii Advocates for Animals and two individuals. Comments were also submitted by the Department of Land and Natural Resources.

Your Committee finds that the coqui frog population has grown exponentially over the past decade for many reasons, and the population by the frog has the potential to negatively impact the sales by Hawaii's floriculture industry. Thus, this measure appropriates the necessary funds to help the County of Hawaii eradicate and control the coqui frog population.

Your Committee further finds that the coqui frog problem is not isolated to one county. Rather, it is a problem that exists in all four counties of the State. Thus, your Committee has amended this measure to:

- (1) Include appropriations to the County of Kauai, the County of Maui, and the City and County of Honolulu for the eradication and control of coqui frogs; and
- (2) Make technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2417, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2127 Water, Land, and Agriculture on S.B. No. 2006

The purpose of this measure is to prohibit the commercial sale of three species of Hawaiian opihi.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR); a Maui County Council member; the Community Conservation Network; Conservation Council for Hawaii; Pa'a Pono Miloli'i, Inc.; and five individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that, in recent years, the number of edible opihi found in Hawaii has declined. The popularity of opihi as a delicacy has led to overharvesting on the island of Oahu and has made opihi difficult to find on the neighbor islands. Thus, this measure prohibits the sale of three types of edible opihi.

Your Committee noted testimony from DLNR explaining that:

- (1) With an unlimited recreational harvest of opihi, enforcement of commercial opihi picking may be very difficult. Thus, DLNR suggested that a one-quart recreational bag limit of opihi with its shell on should be added to this measure; and

- (2) There is a fourth species of Hawaiian opihi, *cellana melanostoma*, that should also be protected.

Your Committee has amended this measure by adopting DLNR's suggestions and making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2006, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2128 Water, Land, and Agriculture on S.B. No. 2111

The purpose of this measure is to make an appropriation for a Kaiaka Bay flood project.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Resource Management Systems, and eight individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that Kaiaka Bay watershed is an important watershed system that needs immediate attention, as it is prone to very dangerous flooding conditions. This measure appropriates matching funds for an Army Corps of Engineers flood project located at the Kaiaka Bay watershed on the north shore of Oahu.

Your Committee noted that S.B. No. 2046 also addresses watershed management in the Kaiaka Bay area and is an essential flood and pollution control component. As such, your Committee recommends that S.B. No. 2046 also be reviewed and addressed in the near future.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2129 Water, Land, and Agriculture on S.B. No. 2575

The purpose of this measure is to make an appropriation for a baseline environmental study of the Waianae Coast ocean area.

Testimony in support of this measure was submitted by Alternative Hawaii, Wild Dolphin Foundation, and thirty-four individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources (DLNR).

Your Committee finds that in 2005, the Legislature found that the growing population of west Oahu and the visitor industry are affecting the traditional uses of the area along the Waianae coast and are having cumulative economic, environmental, social, and cultural effects on the many communities along the coastline. Accordingly, the Legislature mandated that DLNR prepare a baseline environmental study as an informational document to be used to establish the boundaries of an ocean recreation management area and to draft ocean recreation management area rules. However, limited resources precluded funding for the baseline environmental study at the time. Thus, this measure appropriates money to DLNR to complete the baseline environmental study for the Waianae Coast ocean area.

Your Committee has amended this measure by deleting the amount of the appropriation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2130 Water, Land, and Agriculture on S.B. No. 3138

The purpose of this measure is to appropriate funds to the Office of the Auditor for the preparation of the 2050 Sustainability Plan.

Testimony in support of this measure was submitted by the Office of the Auditor and the Office of Planning.

Your Committee finds that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the Hawaii 2050 Sustainability Task Force (task force) to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the task force submitted its first report to the Legislature, and in the report, the task force determined that, among other things, the process to create the 2050 Sustainability Plan should include research and data gathering, community input and outreach, and activities to educate the public. In Act 8, \$100,000 was appropriated for each of two fiscal years to create the 2050 Sustainability Plan. However, after reviewing the task force's report and the Office of the Auditor's testimony, your Committee finds that this appropriated amount is inadequate to accomplish Act 8's objectives. Accordingly, this measure provides a vehicle to appropriate the necessary funding to accomplish the task force's goals and objectives.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3138 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2131 Water, Land, and Agriculture on S.B. No. 2421

The purpose of this measure is to prohibit claims to kuleana lands based on adverse possession.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs (OHA).

Your Committee finds that over the years, many people with ancestral rights to kuleana lands have lost their land for many reasons, including fraud, unfamiliarity with the legal system, epidemics, and outright denials of access to the land. For many people entitled to kuleana lands, it is nearly impossible to prove fraud or unjust dispossessions nearly 100 years after the fact, and many people are still entitled to ancestral claims for kuleana lands. However, many valid ancestral claims for kuleana lands are often pre-empted and eliminated by claims of adverse possession. Thus, this measure prohibits the use of adverse possession for any quiet title claim on kuleana lands.

Your Committee was concerned about the prohibited use of adverse possession in all claims for kuleana lands. Specifically, this measure precludes the use of adverse possession even as a defense by a person who may have an ancestral right to the kuleana land against a quiet title claim. However, OHA noted that those who are entitled to an interest in the land could pursue the interest as an ancestral claim. This explanation was noted; however, your Committee respectfully requests your Committee on Judiciary and Hawaiian Affairs to further evaluate this issue.

Your Committee noted that both this measure and S.B. No. 2423 are closely related, as both address important kuleana land issues. Thus, your Committee recognizes the significance of both measures and recommends that these measures continue to move together through the legislative process.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings)

SCRep. 2132 Water, Land, and Agriculture on S.B. No. 2423

The purpose of this measure is to clarify the Office of Hawaiian Affairs' (OHA) role in the use and management of kuleana lands and in quiet title actions for kuleana lands.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR) and OHA.

Currently, the law requires OHA to be named as a defendant in quiet title actions when there is an interest claimed in kuleana land and there is reason to believe that an owner of an inheritable interest in the particular kuleana land died intestate and without an heir to claim the land. However, if it is determined that the kuleana land will escheat to OHA, the title to the property is given to DLNR to be held in trust until an OHA land management plan for the property is approved by the DLNR.

Your Committee finds that because OHA is a named party in the quiet title action with clear standing to seek relief and has the institutional expertise and resources to determine the appropriate use and management of the kuleana land, OHA should be allowed to make decisions about the use and management of kuleana lands. Thus, this measure removes DLNR from the process of approving an OHA land management plan and clarifies OHA's role in quiet title claims.

Your Committee notes that both this measure and S.B. No. 2421 are closely related, as both address important kuleana land issues. Thus, your Committee recognizes the significance of both measures and recommends that these measures continue to move together through the legislative process.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2423, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2133 Water, Land, and Agriculture on S.B. No. 2090

The purpose of this measure is to clarify the Hawaii Community Development Authority's (HCDA) powers and public notice requirements.

Testimony in support of this measure was submitted by Hui o Malama Kaka'ako Project; Kaka'ako Business and Landowners Association; U. Okada & Co., Ltd.; and fourteen individuals. Testimony in opposition to this measure was submitted by HCDA, the Office of Hawaiian Affairs, and General Growth Properties, Inc.

Your Committee finds that the current procedures used by HCDA for developing its master planning functions and community development districts are inadequate and do not appear to contemplate or give enough deference to the public's testimony and suggestions. Rather, it appears that many important issues are not addressed and carry on for many years. Thus, this measure:

- (1) Establishes legislative oversight, review, and approval of HCDA's proposed or amended community development plan;
- (2) Clarifies the decision-making procedures for amendments to HCDA's community development rules or for the acceptance of a developer's proposal;
- (3) Requires the legislature to specifically appropriate money for new infrastructure projects; and
- (4) Requires the authority to post public notices of its proceedings and its meeting minutes on the authority's website.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2090, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2134 Water, Land, and Agriculture on S.B. No. 3037

The purpose of this measure is to provide a one-time nonrefundable Manoa flood income tax credit.

Testimony in support of this measure was submitted by the Department of Defense, the Department of Taxation, and one individual. Testimony in opposition to this measure was submitted by the Tax Foundation of Hawaii.

Your Committee finds that the heavy rain and flood of October 2004 had devastating consequences for residents of Manoa Valley. Approximately one hundred forty homes and several automobiles sustained damage caused by the torrential downpour that overflowed the banks of Manoa Stream. Fortunately, the flooding did not cause any serious injuries or deaths, but the property damage it left in its wake is still being felt by many Manoa families.

This measure provides a modicum of relief to the victims of the Manoa flood in the form of a one-time non-refundable income tax credit not to exceed \$2,000. The tax credit applies to losses of real or personal property caused by the heavy rain and flood.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3037 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2135 Water, Land, and Agriculture on S.B. No. 3147

The purpose of this measure is to make an appropriation for the purchase of Waimea Valley on the island of Oahu.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, one member of the Honolulu City Council, the Conservation Council of Hawaii, the Sierra Club, and three individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that Waimea Valley is one of the few remaining intact ahupua'a on the island of Oahu and remains a rich and sacred cultural, historic, and aesthetic resource for the entire State. Thus, this measure appropriates money to contribute toward the State's share for the purchase of Waimea Valley.

Your Committee has amended this measure by making the effective date retroactive to July 1, 2005 to ensure that funding will be available for the 2005-2006 fiscal year.

Your Committee notes that the State is not the sole purchaser of the valley. Rather a consortium of the following participants will provide funding to purchase the valley: the United States Army, the Office of Hawaiian Affairs, the Department of Land and Natural Resources, the City and County of Honolulu, and the National Audubon Society.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3147, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2136 (Joint) Water, Land, and Agriculture and Media, Arts, Science and Technology on S.B. No. 3081

The purpose of this measure is to provide the State with more time to acquire land in the South Kona Wilderness Area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committees find that there are significant archeological sites and native plants and animals within the proposed wilderness area and that an extension of time to acquire more land to be included in the South Kona Wilderness Park is appropriate. Thus, this measure extends the length of time allowed to acquire the lands that are designated to become part of the South Kona Wilderness Park on the island of Hawaii.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3081 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Hooser, Ihara, Hemmings).

SCRep. 2137 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 3169

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Honolulu Seawater Air Conditioning LLC with the planning, design, and construction of a seawater air conditioning district cooling system in Waikiki.

Testimony in support of this measure was submitted by the Hawaii Renewable Energy Alliance and Honolulu Seawater Air Conditioning LLC. Comments were submitted by the Department of Budget and Finance.

Your Committees find that this seawater air conditioning system project will assist the State in meeting its renewable resource, energy efficiency, and environmental sustainability objectives by:

- (1) Using an abundant, indigenous renewable resource, i.e., cold, deep seawater, to provide more than seventy per cent of the cooling load;
- (2) Providing energy savings of seventy per cent or more, when compared to conventional air conditioning systems; and
- (3) Eliminating the need for cooling towers, thus reducing potable water and toxic chemical use and the production of sewage.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3169 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 2138 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 2484

The purpose of this measure is to make an appropriation for vog monitoring stations on the island of Hawaii.

Testimony in support of this measure was submitted by the Department of Health, Hawaii Invasive Species Management and Education Corporation, Pahoehoe Family Health Center, and four individuals.

Your Committees find that the Clean Air Branch of the Department of Health currently has three vog monitoring stations that measure sulfur dioxide in Hilo, Puna, and Kona. In addition, the Hawaii Volcanoes National Park has two monitoring stations. However, these monitoring stations do not measure vog levels in other parts of the Puna district where thousands of residents are affected by significant amounts of vog emissions. This measure makes an appropriation to the Department of Health for two additional vog-monitoring stations in Mountain View and Pahala.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2484 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 2139 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 2480

The purpose of this measure is to appropriate funds for a wastewater facility feasibility study.

Testimony in support of this measure was submitted by the Department of Health, the Department of Land and Natural Resources, and the Kapoho Kai Water Association.

Your Committees find that the Kapoho and Vacationland subdivisions rely primarily on cesspools and septic tanks as a means of wastewater disposal. Due to the high groundwater table and close proximity to valuable nearshore water and porous ground formations, it is suspected that wastewater from these communities is impacting the nearshore waters. Thus, this measure requires a feasibility study to determine if a wastewater treatment facility for the area and public restrooms for the marine life conservation district are appropriate.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2480 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 2140 Health on S.B. No. 3279

The purpose of this measure is to ensure that an apology or an expression of sympathy expressed by a health care provider relating to the pain, suffering, or death of a patient will not be admissible as an admission of liability in a civil proceeding.

Your Committee received testimony in support of this measure from the Attorney General, Hawaii Health Systems Corporation, The Queen's Medical Center, Healthcare Association of Hawaii, Hawaii Medical Association, Healthy Mothers Healthy Babies, Kaiser Permanente, Hawaii Pacific Health, and two individuals. Your Committee received testimony in opposition to the measure from the Consumer Lawyers of Hawaii and one individual.

Your Committee finds that it is important to have open lines of communication between a doctor and patient. A doctor or other medical care worker needs to be able to show expressions of benevolence towards a patient without fear of civil liability. This leads to better doctor-patient relationships and reduces the number of medical malpractice law suits.

Your Committee further finds that taking benevolent action towards others is consistent with the way of life in Hawaii and should be encouraged, not hindered.

Your Committee adopted the recommendations of the Consumer Lawyers of Hawaii and amended the measure to allow for benevolent gestures or expressions of sympathy, which are indicative of good faith, as opposed to an apology, which is indicative of fault.

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. 3279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3279, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2141 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 2141

The purpose of this measure is to make an appropriation to fully fund sexual assault services in the State.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Attorney General, The Sex Abuse Treatment Center, and Child and Family Service.

Your Committees find that the rate of sexual assault crimes has continued to increase. Sexual assault services provide much needed support, advocacy, and counseling to victims and their families. When victims receive timely and proper counseling services they are more likely to report the crime. This improves the chances that the perpetrator will be identified and successfully prosecuted.

Your Committees amended this measure by including the appropriation amount of \$1,076,217 to be expended by the Department of the Attorney General.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2141, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Tsutsui).

SCRep. 2142 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2065

The purpose of this measure is to establish that unpaid parking citations do not prevent the transfer of registration or ownership of a motor vehicle.

Specifically, this measure:

- (1) Clarifies that the payment of a default judgment on a parking violation is the responsibility of the registered owner incurring a parking violation;
- (2) Clarifies that an unpaid parking violation does not prevent the issuance or renewal of a certificate of motor vehicle registration and transfer of title;
- (3) Requires the clerk of the court in such instances to issue a clearance to effectuate the transfer of the motor vehicle; and
- (4) Clarifies that a clearance does not absolve the registered owner incurring the parking violation from paying the fine, prevent subsequent issuance or renewal or of the registration or transfer of title, or otherwise encumber the motor vehicle's title.

Your Committees received testimony in support of this measure from the Honolulu Police Department, Aloha Auto Group, Catrala-Hawaii, and Hawaii Automobile Dealers' Association.

Your Committees find that current law attaches parking citations to the vehicle rather than the vehicle's owner, which prevents the registration and transfer of ownership to a new owner until the parking fines are paid. This situation has wreaked havoc with some motor vehicle registration transfers by refusing to permit the transfer until the new owner pays for the parking fines incurred by the previous owner.

In the past, citations issued against vehicles have hindered those purchasing them from registering the vehicles. This measure corrects that problem by permitting the new owner to register the vehicle, while requiring the previous owner who incurred the citations to pay the fines.

Your Committees have amended this measure by making a conforming amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2065, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2143 Transportation and Government Operations on S.B. No. 2156

The purpose of this measure is to allow the state auditor to inspect all accounts, books, records, files, papers, documents, and all financial affairs of the Department of Taxation.

Your Committee received testimony in support of this measure from the Auditor. Testimony in opposition was received from the Department of Taxation (DOTAX).

The Legislature finds that the Auditor is possessed with the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performances of all departments, offices, and agencies of the State. DOTAX is one of these departments. However, the Attorney General has informed the Auditor that additional statutory authority is necessary for an audit of DOTAX. Apparently the Auditor sought DOTAX records when pursuing a lead during a recent audit which required a review of taxpayer records at DOTAX.

This measure addresses the objection of the Attorney General to the Auditor's access to DOTAX records, by providing very specific statutory authority in addition to the Auditor's current general statutory authority. Your Committee finds that the Auditor needs this authority in order to effectively perform the constitutional and statutory duties of an audit.

Your Committee has made a conforming statutory amendment.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2156, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2144 Transportation and Government Operations on S.B. No. 2304

The purpose of this measure is to update Hawaii's civil defense laws to:

- (1) Conform to current federal law and to respond to present natural disaster contingencies; and
- (2) Clarify the liability of private entities that provide shelter in times of emergency.

Your Committee received testimony in support of this measure from the State Department of Defense, Department of Human Resources Development, and one individual.

This measure recognizes that federal laws and regulations to mitigate natural and man-made disasters have changed over the years. This measure also extends immunity from liability to healthcare facilities that provide shelter during times of disaster and emergency.

Your Committee finds that this measure is necessary to update Hawaii's civil defense laws to conform to federal law. Your Committee further finds that healthcare facilities need immunity from liability for providing shelter, and that immunity would greatly expand the disaster shelter capacity of the State.

Your Committee notes that the new definitions for "disaster" and "emergency" include references to the Governor's determination so that a triggering event is clearly defined.

Your Committee has amended this measure by:

- (1) Adding "gale force winds" to the definition of "disaster";
- (2) Adding a definition for "healthcare facility" by cross referencing to existing law;
- (3) Adding "emergency or disaster" as appropriate within the text to conform to the new definitions; and
- (4) Making technical, nonsubstantive amendments to conform with proper drafting form and style.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2145 Transportation and Government Operations on S.B. No. 2307

The purpose of this measure is to enact the Emergency Management Assistance Compact (EMAC).

Your Committees received testimony in support of this measure from the State Department of Defense, Department of Human Resources Development, and one individual.

The EMAC provides mutual assistance between states in managing any emergency or disaster that is declared by the governor of a member state, including natural and man-made disasters, technological hazards, community disorder, and insurgency or enemy attack.

Your Committees believe that mutual assistance between states in times of emergency or disaster would benefit Hawaii, particularly because of the State's vulnerability to natural disasters and geographic isolation.

Your Committees have amended this measure by making technical, nonsubstantive amendments to conform with proper drafting style.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2307, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 2307, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2146 Transportation and Government Operations on S.B. No. 2365

The purpose of this Act is to authorize the Office of Information Practices (OIP) to file an action in the circuit courts to compel an agency to comply with an OIP decision rendered in accordance with OIP's statutory authority.

Your Committee received testimony in support of this measure from the OIP, the Society of Professional Journalists, and the League of Women Voters of Hawaii.

This measure addresses the situation in which an agency ignores an OIP decision on an appeal to the OIP from a person who has been denied access to a government record by that agency. This measure would allow OIP to enforce its decisions by taking legal action to compel the agency to comply. The OIP lacks this power under current law. Notwithstanding OIP's determination that a government record is public and must be disclosed, an agency can simply ignore an OIP decision. There are no current statutory mechanisms to force an agency to comply with OIP's decision.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2147 Transportation and Government Operations on S.B. No. 2469

The purpose of this measure is to increase the handyman's exemption from \$1,000 to \$3,500 under the contractors licensing law.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors; Inoue Hawaii Realty Corporation; Blue Sky Realty & Management; Clark Realty Corporation; Realty & Rentals, Inc.; Century 21 Liberty Homes; Coldwell Banker Pacific Properties; Property Profiles; Landmark Maui Properties; Pukana La Properties LLC; Hawaiian Isle Real Estate, LLC; Aina Maui Properties; West Oahu Realty; Maui Town & Country Realty; Whalers Realty Management Company Inc.; Big Island Brokers; Alpha Real Estate & Mgt. Co.; National Association of Residential Property Managers; Cynthia Rubinstein Real Estate, Inc.; Luko & Assoc. Realty Inc.; and twenty-seven individuals. Testimony in opposition was received from the Contractors Licensing Board, Plumbing & Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, and one individual.

This measure is intended to address the serious problem of a lack of contractors in the home improvement marketplace. The current upswing in large project construction, particularly federal military projects, as well as resorts and condominiums, has exhausted the skilled labor to perform construction work.

To fill in the gap, there is a large demand for handymen who do small home improvement projects for hire. Current law places a limit of \$1,000 for a contractors license exemption for such projects. However, the costs of construction labor and materials have climbed dramatically to the point where the \$1,000 limit is unrealistic. The result is that few people are willing to undertake such small projects. Homeowners are forced to wait up to eight months or longer for home improvement work to be performed. By raising the limit to \$3,500, your Committee believes the marketplace will improve on the supply side.

Your Committee is cognizant of consumer protection and general excise tax issues. To address these issues, your Committee has amended this measure by requiring the registration of handymen with the contractors licensing board and an excise tax license.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2148 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2745

The purpose of this measure is to prohibit a person, for consideration, from operating or parking an advertising vehicle or trailer on any public street or highway or other public place, or on any private place that can be seen from a public place, unless the advertisement on the vehicle relates to the business for which the vehicle is used in the regular work of the vehicle's owner and the vehicle is not being used primarily for advertising.

Your Committees received testimony in support of this measure from the Sierra Club Hawaii Chapter, Conservation Council for Hawaii, Na Leo Pohai, and the Outdoor Circle. Comments were received from the State Attorney General.

This measure is intended to address the situation of commercial billboard vehicles that roam the highways and streets with advertisements on the sides and back of the truck. These vehicles are for hire and the ads are not related to any business of the owner of those vehicles. Advertising in this fashion is the effective equivalent of moving billboards, which are regulated by chapter 445, Hawaii Revised Statutes. The majestic beauty and lovely scenery of Oahu is no less marred by mobile billboards and signage, which should also be prohibited.

Your Committees note that this measure does not regulate expressive speech or political advertising. However, your Committees are cognizant that any measure attempting to regulate advertising may be fraught with constitutional issues. The testimony of constitutional law professor Jon M. Van Dyke of the William S. Richardson School of Law indicates that this measure will pass constitutional muster. Nonetheless, your Committees agree with the Attorney General that this measure needs further study and consideration and accordingly defers to the Committee on Judiciary and Hawaiian Affairs to consider this aspect of the measure further.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2745 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2149 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2746

The purpose of this measure is to prohibit a person, for consideration, from operating or parking an advertising vehicle or trailer on any street or highway or other public place, or on any private property that can be seen from a public place, unless the advertisement on the vehicle relates to the business for which the vehicle is used and is being used in the regular work of the vehicle's owner.

Your Committees received testimony in support of this measure from the Sierra Club Hawaii Chapter, Life of the Land, and the Outdoor Circle. Comments were received from the Attorney General.

This measure is intended to address the situation of commercial billboard vehicles that roam the highways and streets with advertisements on the sides and back of the truck. These vehicles are for hire and the ads are not related to any business of the owner of those vehicles. Advertising in this fashion is the effective equivalent of moving billboards, which are regulated by chapter 445, Hawaii Revised Statutes. The majestic beauty and lovely scenery of Oahu is no less marred by mobile billboards and signage, which should also be prohibited.

Your Committees note that this measure does not regulate expressive speech or political advertising. However, your Committees are cognizant that any measure attempting to regulate advertising may be fraught with constitutional issues. The testimony of constitutional law professor Jon M. Van Dyke of the William S. Richardson School of Law indicates that this measure will pass constitutional muster. Nonetheless, your Committees agree with the Attorney General that this measure needs further study and consideration and accordingly defers to the Committee on Judiciary and Hawaiian Affairs to consider this aspect of the measure further.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2746 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2150 Transportation and Government Operations on S.B. No. 2798

The purpose of this measure is to authorize the state fire council to employ an administrator and an administrative assistant, and to specify the duties of the administrator.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations (DLIR).

Section 132-16, Hawaii Revised Statutes, establishes the state fire council, which consists of the fire chiefs of the counties. The functions of the state fire council are to adopt the state fire code, and to coordinate applications to the federal government for federal grant assistance for fire-related projects and to administer those grants. The state fire council also undertakes a myriad of other fire-prevention duties, including fire inspection and prevention.

Current law does not provide for an administrator for the state fire council. Your Committee finds that an administrator is needed to assist the council with its operations to enhance the effectiveness and efficiency of the council.

Your Committee has requested the DLIR to provide the specific dollar amount necessary for this appropriation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2151 Transportation and Government Operations on S.B. No. 2857

The purpose of this measure is to allow the governor, upon the declaration of an emergency, to release up to ten percent of the moneys appropriated from the emergency and budget reserve fund to provide assistance to residents and businesses that have sustained damage during or immediately after a natural disaster.

Your Committee received testimony in support of this measure from the State Department of Defense and one individual. Comments were received from the Department of Budget and Finance.

Residents and businesses of the State are often twice victimized when natural disasters strike. First, the damage caused by a natural disaster is often extensive and repair or replacement costs are prohibitive. Second, the emergency relief from governmental agencies to meet the immediate needs of victims is often delayed or unavailable for extended periods. For some victims of natural disasters, the delay in receiving emergency assistance can mean a total loss of their homes or businesses. Your Committee finds that there is an urgent need to provide victims with prompt emergency relief during or immediately after a natural disaster.

Your Committee has amended this measure by specifying that the ten percent appropriated must be from the interest earned from the fund.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2152 Transportation and Government Operations on S.B. No. 2896

The purpose of this measure is to amend the Hawaii public procurement code provisions on exempt agencies and purchases.

Specifically, the measure:

- (1) Requires exempt agencies to have written procurement policies, procedures, and ethics;
- (2) Requires exempt agencies to document purchases for audit;
- (3) Requires a legislative bill exempting an agency to contain legislative findings of necessity; and
- (4) Allows an agency to supplement procurement training if there is no effect on the budget.

Your Committee received testimony in support of this measure from the State Procurement Office (SPO).

This measure is a result of joint legislative hearings held during the interim. Testimony indicated, among other things, that the SPO had no information on the procurement practices of exempt agencies, and that the Auditor was impeded in auditing an exempt agency due to a lack of documentation. Your Committee is also concerned about the plethora of agencies that were granted statutory exemptions without sufficient consideration.

This measure is intended to bring a degree of openness and evenness in government procurement in order to fortify public confidence in governmental purchases that are paid for from taxpayer moneys.

Your Committee has amended this measure on the recommendation of the SPO by:

- (1) Requiring that contract awards made by exempted agencies be posted on the SPO's website to ensure public disclosure; and
- (2) Making clarifying amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2153 Transportation and Government Operations on S.B. No. 2897

The purpose of this measure is to increase the small purchases threshold under the Hawaii public procurement code from \$25,000 to \$50,000.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation. Testimony in opposition was received from the State Procurement Office. Comments were received from the Department of Accounting and General Services (DAGS).

This measure brings into line the reality of the costs of goods and services with the threshold of small purchase contracts. It is the intent of your Committee to facilitate procurements from smaller businesses by providing flexible and expedient purchases of smaller amounts.

Your Committee remains concerned about the potential for abuse and fraud by raising the limit to \$50,000. To maintain open and fair competition in small purchases, your Committee has amended this measure on the recommendation of DAGS by:

- (1) Requiring small purchases to be negotiated over the Internet; and
- (2) Requiring the selection of a vendor from pre-qualified lists of vendors from whom bids or offers are solicited randomly.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2154 Transportation and Government Operations on S.B. No. 2899

The purpose of this measure is to restore the exemption from the procurement code for the issuance of special purpose revenue bonds for health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, and energy projects, on the basis that no public moneys are involved in issuing special purpose revenue bonds.

Your Committee received testimony in support of this measure from the Department of Budget and Finance (B&F), the State Procurement Office, Hawaiian Electric Company, Inc., and Hawaii Pacific Health.

The basis for this exemption is that no public moneys are involved in the issuance of special purpose revenue bonds (SPRBs). Even the fees and costs involved in the issuance of SPRBs and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of a SPRB, the borrower is required to reimburse the State for all such amounts.

Your Committee has amended this measure on the recommendation of B&F to include within the exemption the issuance of SPRBs to assist early childhood education and care facilities serving the general public and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2155 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 2901

The purpose of this measure is to remove the restriction that allows only counties with a population in excess of 500,000 to impose highway impact fees.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT), one Maui Council member, and the Land Use Research Foundation of Hawaii.

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

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2901 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kanno, Nishihara).

SCRep. 2156 Transportation and Government Operations on S.B. No. 3198

The purpose of this measure is to amend the current state contract requirement for an entity providing design professional services to defend the State in legal action.

Specifically, this measure:

- (1) Prohibits provisions in government procurement contracts that require the contractor to defend the governmental body; and
- (2) Allows government procurement contracts to require a contractor to indemnify and hold harmless the governmental body from the negligence, errors, omissions, and other wrongful acts of the contractor in the performance of the contractor's professional services.

Your Committee received testimony in support of this measure from the AIA Hawaii State Council; ACEC of Hawaii; American Society of Civil Engineers; Pacific Geotechnical Engineers, Inc.; The Limtiaco Consulting Group; Consulting Structural Hawaii, Inc.; KAI Hawaii, Inc.; Cedric D.O. Chong & Associates, Incorporated; Engineering Solutions, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; Hawaii Pacific Engineers, Inc.; Austin, Tsutsumi & Associates, Inc.; Gray Hong Nojima & Associates, Inc.; and one individual. Testimony in opposition was received from the Department of Accounting and General Services, State Procurement Office, Honolulu County Budget and Fiscal Services Department, and Hawaii County Corporation Counsel. Comments were received from one individual.

This measure addresses the problems that arise from the fact that a great majority of architectural businesses are small businesses that cannot afford to absorb the unpredictable costs of defending the State against claims that could be frivolous. Testimony indicated that the current contract requirement to defend the State survives the life of the contract and runs concurrent with the life of the building, which could last for decades. This places an onerous burden upon elderly and retired architects.

Your Committee finds that design professional service contracts are used by governmental bodies to construct public works that endure and are used by the public for a significant period of time beyond the life of these contracts. It is not uncommon for public works to survive their designers. Your Committee recognizes that design professionals have an extended period of personal liability that cannot be avoided by ways often used by other public contractors. The period of personal professional liability with respect to public works is extended by the sovereign right of the State to be free of any statute of repose.

Testimony further indicated that obtaining professional liability insurance is a problem inasmuch as traditional errors and omissions policies cover negligence caused by the insured rather than cover the likelihood of having to defend against an unknown future claim.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3198 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 2157 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 2078

The purpose of this measure is to appropriate funds to the Economic Development Alliance of Hawaii (EDAH) for the purpose of improving and expanding the technology workforce in Hawaii.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; the University of Hawaii; the Economic Development Alliance of Hawaii; the Office of Economic Development, the County of Kauai; the Kauai Economic Development Board, Inc.; the Hawaii Island Economic Development Board; the Maui Economic Development Board; the Hawaii Crop Improvement Association; the Maui County Farm Bureau; Trex Hawaii, LLC; Monsanto Hawaii; General Dynamics Advanced Information Systems; and several private individuals.

The Economic Development Alliance of Hawaii is composed of four private-sector economic development boards whose members are all active members and officers of the county-level Workforce Investment Boards and the statewide Workforce Development Council. For five years, the economic development boards have been involved in implementing several project-based learning efforts on the neighbor islands such as Project EAST, Aloha 'Ike, and Women in Technology, to promote enthusiasm for science, technical training, and higher education. EDAH wants to develop comparable programs on Oahu, which will create an educational pipeline to the University of Hawaii and the community colleges statewide. Additionally, EDAH wants to support partnership workforce development and outreach that will address state business, education, and labor goals. Partnership efforts will complement and expand the existing programs on the neighbor islands, and will focus on creating excitement for new business development and careers in science and technology.

Your Committees find that appropriating funds as a grant to the Economic Development Alliance of Hawaii will provide the necessary financial assistance to develop partnership initiatives that will improve and expand the technology workforce in Hawaii. The sum appropriated shall not be appropriated unless matching funds are provided.

Your Committees have amended this measure by:

- (1) Changing the blank appropriation amount to \$500,000 to fund EDAH's efforts and plans to expand technology training opportunities statewide; and
- (2) Specifying that the Hawaiian Tel internship program is called Hawaiian Telcom Ho'olaulima.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2078, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2078, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Menor, Trimble).

SCRep. 2158 Media, Arts, Science and Technology on S.B. No. 2813

The purpose of this measure is to appropriate funds to the State of Hawaii Endowment Fund, which is a separate fund of the Honolulu Symphony Trust.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts; the Honolulu Symphony; the Musicians' Association of Hawaii, Local No. 677, American Federation of Musicians; the Democratic Party of Hawaii, Oahu County Committee; Commercial Data Systems; and a private individual.

The State of Hawaii Endowment Fund is a separate fund of the Honolulu Symphony Trust. The income and capital gains from the fund are 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. The Honolulu Symphony is an important cultural, educational, and economic asset that provides world-class music to Hawaii audiences. The symphony's mission is to "enhance the quality of life of the people of Hawaii by sustaining a symphony orchestra of the highest artistic quality, and to serve as a community leader for musical activities that include concerts, operas, ballet, and educational programs."

In addition to its community concerts series, each year the symphony brings music into the lives of over 30,000 children. Special youth concerts at the Neal Blaisdell Concert Hall give Hawaii's students a taste of the symphony experience. Symphony ensembles travel across the island to give Hawaii's children musical encounters that are up-close and personal. And as teachers, role models and mentors, symphony musicians prepare Hawaii's children to carry on a tradition of artistic excellence. More than eight hundred young musicians in Hawaii public and private schools have studied with symphony musicians.

As with most symphony orchestras in North America, however, annual income from ticket sales and financial support from state, county, and private entities has been insufficient to maintain a balanced budget. The Honolulu Symphony is at risk of losing many talented musicians and reducing the quality and consistency of its music, which will negatively impact the symphony's programs.

Your Committee finds that making an appropriation to fund the State of Hawaii Endowment Fund will provide the essential financial stability to ensure that the orchestra's vital music education and enrichment services will remain available and affordable for the general public and, most importantly, for the young people of Hawaii. This financial stability will also allow the Honolulu Symphony to develop new programs and further collaborations with other symphonic-related cultural organizations, such as the Hawaii Opera Theater and the Hawaii Youth Symphony. Your Committee believes this will not only provide a financial benefit to the individual organizations, but will also build the broader base of community support that is key to the growth of the Honolulu Symphony.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 2159 Education and Military Affairs on S.B. No. 2182

The purpose of this measure is to change the constitutional provision regarding the status of the student member of the board of education from a non-voting member to a voting member.

Your Committee received testimony in support of this measure from the Department of Education, the Board of Education, the Hawaii State Teachers Association, and seventeen individuals.

Your Committee finds that the measure would be unlikely to pass in the House of Representatives without addressing the Department of Education's concerns regarding the limitation of the student member's voting privileges with respect to personnel and budgetary issues.

Your Committee has amended this measure to limit the board of education student member's voting privileges to exclude personnel and budgetary matters.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2182, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2160 Education and Military Affairs on S.B. No. 3144

The purpose of this measure is to establish an adopt-a-school program to which corporations would make tax-deductible contributions to fund school repairs and maintenance, and to establish a permanent task force on corporate donations for education.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that public-private initiatives can be positive forces in the education community, but recommends that a Legislative Research Bureau study be conducted to review all the existing not-for-profit education vehicles to report on their efficiency and accountability.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3144, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2161 Education and Military Affairs on S.B. No. 3256

The purpose of this measure is to make an appropriation to create a school custodial training program on Oahu.

Your Committee received testimony in support of this measure from the Department of Education, the Hawaii Rural Development Project, the Hawaii State Teachers Association, and one individual.

Your Committee finds that the custodial training program conducted by the Hawaii Rural Development Project has been producing commendable results on the neighbor islands, and an Oahu program would be a welcome addition to help ameliorate the current backlog of school repairs.

Your Committee has amended this measure by including an appropriation amount of \$200,000.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3256, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2162 Judiciary and Hawaiian Affairs on S.B. No. 1294

The purpose of this measure is to allocate a portion of land trust revenues to the repair and maintenance of the Royal Mausoleum.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Charles R. Bishop Trust, Hale O Na Ali'i O Hawai'i, the Hawaiian Civic Club of Honolulu, Ka Waihona o ka Na'auao Public Charter School, Kamehameha Schools, the Daughters and Sons of Hawaiian Warriors, the Ali'i Pauahi Hawaii Civic Club, the Royal Order of Kamehameha I, the Oahu Council of the Association of Hawaiian Civic Clubs, and five individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that this measure establishes that the allocation of public land trust revenues is not to be taken from the existing pro rata share of revenues reserved for the benefit of native Hawaiians. This measure was intended to create a continuing source of funding for Mauna `Ala. Your Committee supports a separate grant-in-aid for immediate repair and maintenance at Mauna `Ala. Your Committee refers this measure to the Ways and Means Committee and asks that it determine whether the expending agency for this measure should be the Department of Hawaiian Homelands rather than the Office of Hawaiian Affairs.

Your Committee also recommends that the Committee on Ways and Means work with the interested parties to determine the amount required as a continuing source of funding and establish a percentage from the public trust fund to meet that requirement.

This measure was amended in order to correctly identify the Royal Mausoleum as Mauna `Ala.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1294, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2163 Judiciary and Hawaiian Affairs on S.B. No. 2606

The purpose of this measure is to deposit unclaimed bail money with the Director of Finance of the State.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that, based upon a report by the Judiciary, the amount of unclaimed bail that has been escheated the last several years is as follows:

- (1) \$110,217.75 for fiscal year 2003;
- (2) \$53,458.50 for fiscal year 2004;
- (3) \$159,561.95 for fiscal year 2005; and
- (4) \$16,589 for fiscal year 2006 (as of February 6, 2006).

Your Committee also finds that the Judiciary concluded that it would not be appropriate to escheat unclaimed bail funds to the court. Based upon the Judiciary's review of section 37-62, Hawaii Revised Statutes, the funds must escheat to the general fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2606 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 2164 Judiciary and Hawaiian Affairs on S.B. No. 2698

The purpose of this measure is to make an appropriation to the Department of Public Safety for the gate money program.

Testimony in support of this measure was submitted by the Hawaii Paroling Authority, A Woman's Voice International, the Community Alliance on Prisons, the American Civil Liberties Union, and one individual.

Your Committee finds many inmates who are released do not have adequate funds for food, clothing, or bus passes. It has been the practice of the Hawaii Paroling Authority to provide up to \$200 to inmates in need of emergency money, commonly known as "gate money." According to the Hawaii Paroling Authority, the parole population has risen from 1,804 on July 1, 1997, to 2,622 as of July 1, 2003, a thirty-one per cent increase. With a steadily increasing parole population coupled with the inherent challenges faced by the paroled prisoner in attempting to successfully reintegrate back into the community, gate money becomes a critical component of the transition from incarceration to freedom.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2165 Judiciary and Hawaiian Affairs on S.B. No. 2935

The purpose of this measure is to authorize the issuance of general obligation bonds to fund the construction of a Hawaiian community center facility in Kapolei by the Department of Hawaiian Homelands.

Testimony in support of this measure was submitted by the Department of Hawaiian Homelands, the Office of Hawaiian Affairs, 'Ahaui Siwila Hawai'i O Kapolei, the Association of Hawaiian Civic Clubs, the 'Ewa Pu'uloa Hawaiian Civic Club, the Nanaikapono Hawaiian Civic Club, the Native Hawaiian Chamber of Commerce, the Pearl Harbor Hawaiian Civic Club, the State Council of Hawaiian Homestead Associations, the Wai'anae Hawaiian Civic Club, the O'ahu Council of the Association of Hawaiian Civic Clubs, the Ali'i Pauahi Hawaiian Civic Club, Na Koa Ikaika, the Hawaiian Civic Club of Honolulu, Chaminade University, and the Oahu Council Association of Hawaiian Civic Clubs. An individual also testified in support of this measure.

Your Committee finds that the construction of facilities in Kapolei is consistent with the vision of the Department of Hawaiian Homelands to form partnerships with other organizations that provide services and benefits to native Hawaiians.

Your Committee further finds that the Department of Hawaiian Homelands has issued a thirty year lease to the Association of Hawaiian Civic Clubs to provide certain services as part of the Department's Kapolei residential project.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2935 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2166 Judiciary and Hawaiian Affairs on S.B. No. 2948

The purpose of this measure is to appropriate funds to satisfy the State's obligation to pay the Office of Hawaiian Affairs its pro rata share of revenues derived from the public land trust.

Testimony in support of this measure was submitted by the Attorney General, the Office of Hawaiian Affairs, Kamehameha Schools, Na Pua No'eau at the University of Hawaii at Hilo, Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii of Manoa, the Native Hawaiian Chamber of Commerce, the Native Hawaiian Hospitality Association, the Native Hawaiian Legal Corporation, Pap Ola Lokahi, the Daughters and Sons of the Hawaiian Warriors, and one individual. Two individuals submitted testimony in opposition to the measure.

Your Committee finds that the agreement embodied in this measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded lands. Your Committee also finds that the \$15,100,000 agreed upon should be considered a credit for payment owed the Office of Hawaiian Affairs from fiscal years 2002 through 2005. The payment of \$17,500,000 should be construed as if the amount came from the ceded land revenues.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2167 Judiciary and Hawaiian Affairs on S.B. No. 3040

The purpose of this measure is to propose a constitutional amendment to the Hawaii Constitution relating to excess revenue.

Comments were submitted by the Tax Foundation of Hawaii. Testimony in opposition was submitted by the Department of Budget and Finance.

Your Committee finds that this measure will provide the legislature with flexibility to dispose of excess revenue. This measure will give the legislature the authority to select between providing a tax credit or refund and depositing the money into the emergency and budget reserve fund when certain budget surplus criteria are met.

Your Committee conducted a legal review of this measure but notes that the subject matter of this bill is within the purview of the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3040 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2168 Judiciary and Hawaiian Affairs on S.B. No. 3160

The purpose of this measure is to require that all letterheads and documents of the State include both state languages, with the Hawaiian language placed above the English translation.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Keiki O Ka `Aina Family Learning Centers, and `Aha Punana Leo. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that requiring that the State include accurate, appropriate, and authentic Hawaiian language, diacritical marks and punctuation on official documents ensures that the State remains committed to the fact that both English and Hawaiian are the State's official languages. Your Committee notes that this will apply to new documents and letterheads immediately, and to existing documents and letterheads when their replacements are required.

Your Committee has amended this measure to:

- (1) Postpone the effective date for sections 2 and 3 of the measure to July 1, 2007, after the Hawaiian Language Interim Task Force makes its recommendations to the legislature and the legislature reviews the recommendation;
- (2) Designate the Department of Budget and Finance as the expending agency; and
- (3) Require the Governor to make appointments to the task force.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3160, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2169 Media, Arts, Science and Technology on S.B. No. 2818

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for the plans, design, construction, and equipment of a level III regional bio-containment laboratory facility for the University of Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii, the Department of Health, the Hawaii Science & Technology Council, and ThinkTech Hawaii.

The University of Hawaii has received a grant from the National Institute of Health's (NIH) National Institute of Allergy and Infectious Diseases to construct a level III regional bio-containment laboratory facility in Hawaii. The award is contingent upon the State contributing matching funds of \$12,500,000. The laboratory will be part of the National Institute of Health's network of fifteen laboratories nationwide that will conduct research on infectious diseases that could potentially be used by bioterrorists. The goal of the national laboratory network is to develop the capacity to provide early detection of and to support rapid response to epidemic infectious diseases, whether they are the result of a natural or intentional causes.

Currently, Hawaii does not have a laboratory or the rapid response capacity to deal with exotic infectious disease epidemics. A laboratory diagnosis of a suspected exotic disease agent requires several weeks to obtain from a laboratory on the mainland. If the agent happens to be highly transmissible, such as the Avian Flu, the disease can geographically spread exponentially while waiting for the laboratory results. This scenario emphasizes the need to have a laboratory in Hawaii that will support an early warning epidemic disease surveillance system that will guide an emergency response to control newly imported pathogens.

Your Committee did express concerns regarding the site for the facility. As required by Act 7, Session Laws of Hawaii Special Session 2005, the Department of Health is preparing an updated master plan for the Waimano Ridge lands, to be submitted to the 2006 Legislature. Preliminary engineering analysis has shown that approximately \$38,000,000 in infrastructure improvements and repairs must be done for the site to support future activities. These improvements will delay the start of construction and jeopardize completion of the project within the time frame set by NIH.

Your Committee remains supportive of the project, and finds that issuing general obligation bonds and making an appropriation to the University of Hawaii will provide the necessary matching funds for the plans, design, construction, and equipment of a level III regional bio-containment laboratory facility in Hawaii.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2818 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2170 (Joint) Business and Economic Development and Energy, Environment, and International Affairs on S.B. No. 2123

The purposes of this measure are to:

- (1) Add a new definition to section 209E-2, Hawaii Revised Statutes, for "alternative energy source";
- (2) Expand the definition of "qualified business" under section 209E-2 to include an entity engaged in research, development, sale, or production of any alternative energy source;
- (3) Amend section 209E-11, Hawaii Revised Statutes, to state that a qualified business shall be exempt from the payment of general excise taxes on the gross proceeds from research, development, sale, or production of any alternative energy source; and
- (4) Expand the designation of enterprise zones from six areas up to twenty areas in each county under 209E-4, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaiian Electric Company, Inc., Honolulu Seawater Air Conditioning LLC, and the Hawaii Renewable Energy Alliance. The Department of Taxation submitted comments on the measure.

Hawaii is highly dependent on imported oil for its energy needs. As a result, the State is vulnerable to economic disruption in the event of an upheaval in the world oil market. Hawaii is blessed with an abundance of renewable energy resources, including wind, solar, hydropower, geothermal resources, ocean thermal energy conversion, and wave energy. Your Committees find that it is important to encourage the development and implementation of alternative energy sources in Hawaii. An expansion of the state enterprise zones to include entities that are engaged in alternative energy research, development, sales, or production will encourage local private industries to begin or continue to commercialize alternative energy resources.

Your Committees have amended this measure by:

- (1) Amending the new definition for “alternative energy source” to include the language suggested by the Hawaii Renewable Energy Alliance and to include seawater air conditioning as an alternative energy source; and
- (2) Making technical, nonsubstantive formatting changes.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2123, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Kokubun, Menor, Sakamoto).

SCRep. 2171 (Joint) Business and Economic Development and Intergovernmental Affairs on S.B. No. 2709

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism to establish, maintain, and post on the Internet a list of projected state and county construction projects.

This measure also makes an appropriation to the Department of Business, Economic Development, and Tourism to enable the department to implement a plan to collect and disseminate construction data statewide.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

There is an estimated \$10,000,000,000 boom in new construction occurring in the State and the installation of oversight mechanisms is imperative to ensure the most efficient commitment of state resources and the most successful long-term forecasting. A useful oversight mechanism would be a centralized internet listing of projected government construction projects. Your Committees find that the Department of Business, Economic Development, and Tourism is the appropriate state entity to gather information and produce a centralized electronic listing of statewide construction projects. The department will establish and maintain a comprehensive list on the Internet of all projected construction projects by state and county government agencies, which will be updated quarterly.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2709 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Baker, Inouye, Menor, Sakamoto)

SCRep. 2172 (Joint) Business and Economic Development and Intergovernmental Affairs on S.B. No. 2242

The purpose of this measure is to make permanent the liability protections for warning signs in public beach cases and the liability protections in lifeguard cases.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; the Department of the Attorney General; the Department of the Corporation Counsel, City and County of Honolulu; the Honolulu Emergency Services Department, City and County of Honolulu; the Hawaiian Lifeguard Association; and a private individual. Your Committees received testimony in opposition to this measure from the Consumer Lawyers of Hawaii.

Act 190, Session Laws of Hawaii 1996, established a process to develop a legally adequate warning system at public beach parks. The enactment of Act 190 was intended to increase public safety, reduce ocean-related accidents, and protect the State and counties from the liabilities they faced with regard to activities in the ocean and at public beaches. As a result of Act 190, the design of the warning signs has been made uniform throughout the State and has served as a model for other government entities to use.

Act 170, Session Laws of Hawaii 2002, established liability protection for lifeguard services on the beach or in the ocean, except for gross negligence, wanton acts, or omissions. The limited liability protection was necessary because counties were not able to provide lifeguard services at public beach parks without fear of potential liability that might ensue. Presently, the warning sign liability protections in Act 190, as amended by Act 101, Session Laws of Hawaii 1999, and Act 170, and the liability protections afforded to lifeguards in Act 170, will sunset on June 30, 2007.

Your Committees find that the sunset provisions in Act 190, as amended by Act 101 and Act 170, need to be repealed and the Acts made permanent so that warning signs can continue to promote public safety and afford the State and counties liability protection at public beach parks, and the counties can continue to provide lifeguard services without fear of liability.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2242 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Baker, Inouye, Menor, Sakamoto).

SCRep. 2173 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 3187

The purpose of this measure is to authorize the issuance of \$25,000,000 in general obligation bonds to finance the acquisition, construction, rehabilitation, installation, and improvement of renewable energy and energy efficient technologies in state facilities.

Hawaiian Electric Company, Hawaii Renewable Energy Alliance, Honolulu Seawater Air Conditioning LLC, and PowerLight Corporation submitted testimony in support of this measure. The Department of Accounting and General Services and the Department of Commerce and Consumer Affairs submitted comments.

Your Committees find that this measure supports the State's commitment to increase energy self-sufficiency and decrease the vulnerability of state facilities from rolling blackouts, other failures of the electric grid, and the volatility of the energy market. The potential savings realized by the State through the installation of renewable energy and energy efficient technologies in state facilities could pay for all or a substantial portion of the costs associated with issuing general obligation bonds to finance the projects.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3187 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Hanabusa, Hee, Hooser, Kanno, Menor).

SCRep. 2174 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 2118

The purpose of this measure is to exempt low emission and energy-efficient vehicles from payment of parking fees charged by a government authority other than the federal government.

The Department of Business, Economic Development, and Tourism, the Rocky Mountain Institute, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Department of Transportation submitted testimony in opposition.

Your Committees find that it is time to take a more comprehensive and integrated approach to reducing our dependence on motor transportation fuels. Multiple policy pathways can assist the State to achieve the goal of energy self-sufficiency. The placement of a special decal or placard on low emission and energy-efficient vehicles will not only enable operators to park for free under this measure, but will also serve as an effective tool to influence consumer behavior.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2118 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, Hanabusa, Hee, Hooser, Kanno).

SCRep. 2175 (Joint/Majority) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 3183

The purpose of this measure is to direct the Department of Health to develop greenhouse gas emission standards and adopt rules that achieve the maximum feasible reduction of greenhouse gases emitted by passenger vehicles and light-duty trucks and any other vehicle determined by the department to be a vehicle whose primary use is noncommercial personal transportation in the State.

The Rocky Mountain Institute and the Hawaii Chapter of the Sierra Club submitted testimony in support of this measure. The Hawaii Automobile Dealers' Association submitted testimony in support of the intent of the measure. The Department of Health and the Alliance of Automobile Manufacturers submitted testimony in opposition.

Your Committees find that this measure will help decrease the State's contribution to global warming and further encourage the use of more efficient and lower emission vehicles.

Upon further consideration, your Committees have amended this measure by:

- (1) Applying the measure to new vehicles, including passenger cars, pickup trucks, and any other motor vehicle that the department determines is primarily used for noncommercial purposes;
- (2) Defining the terms "passenger car" and "pickup truck" and deleting the definition of "motor vehicle";
- (3) Providing that the rules shall take effect prior to January 1, 2009;
- (4) Expanding the report to the Legislature to include an analysis of:
 - (A) Which communities in the State have the most significant exposure to air contaminants or toxic air contaminants, what impact the rules are expected to have on those communities, and the feasibility of tracking the long term impact of the rules on those communities; and

- (B) What impact the rules will have on the state economy and public health, and the feasibility of tracking the long-term impact of the rules on the state economy and public health;
- (5) Clarifying that the department shall adopt a federal standard if it is of equivalent or greater effectiveness than the new state rules; and
- (6) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3183, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Whalen). Excused, 5 (Hanabusa, Hee, Hooser, Kanno, Menor).

SCRep. 2176 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 3177

The purpose of this measure is to provide a tax incentive for the purchase of passenger vehicles or light trucks that operate on clean fuels.

The Rocky Mountain Institute, the Conservation Council for Hawaii, the Hawaii Energy Policy Forum, and the Hawaii Chapter of the Sierra Club submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism, the Department of Taxation, and the Tax Foundation of Hawaii submitted comments.

Your Committees find that Hawaii's dependence on imported petroleum for one hundred per cent of its transportation energy needs leaves the State extremely vulnerable to an oil embargo, supply disruption, or other energy emergency. This measure provides a tax incentive for consumers to purchase vehicles that operate on clean fuels by increasing the excise tax on vehicles that weigh more and using the proceeds from the additional tax to provide rebates on vehicles that operate on clean fuels. The measure provides an additional incentive to buy clean fuel vehicles by exempting clean fuel vehicles from the excise tax entirely.

Upon further consideration, your Committees amended this measure by:

- (1) Clarifying that the measure applies to passenger cars and pickup trucks and defining those terms;
- (2) Applying the additional excise tax to passenger cars and pickup trucks weighing over four thousand pounds net weight up to and including ten thousand pounds net weight;
- (3) Reducing the additional excise tax to one per cent of the gross proceeds of sales for applicable vehicles weighing over four thousand pounds net weight, up to and including five thousand pounds net weight;
- (4) Reducing the additional excise tax to two per cent of the gross proceeds of sales for applicable vehicles weighing over five thousand pounds net weight, up to and including ten thousand pounds net weight;
- (5) Clarifying that the additional excise tax shall not apply to a passenger car or pickup truck that is used solely for commercial or agricultural purposes, and requiring the Department of Taxation to adopt rules, which shall include criteria to determine what vehicles qualify as commercial or agricultural vehicles; and
- (6) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3177, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3177, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Hanabusa, Hee, Hooser, Kanno, Menor).

SCRep. 2177 (Joint) Energy, Environment, and International Affairs and Business and Economic Development on S.B. No. 3171

The purpose of this measure is to allow the sale of cooling from seawater air conditioning district cooling systems to qualify for state enterprise zone benefits.

The Department of Business, Economic Development, and Tourism, the Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning LLC, submitted testimony in support of this measure. The Department of Taxation submitted comments.

Your Committees find that adding alternative energy production such as seawater air conditioning cooling systems will further the State's goal of reducing its dependency on fossil fuels. In addition, the downtown Honolulu seawater air conditioning project is expected to generate millions of dollars in construction project spending and other economic development benefits.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3171, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Kokubun, Menor, Sakamoto).

SCRep. 2178 (Joint) Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs on S.B. No. 2145

The purpose of this measure is to require the Office of Environmental Quality Control to contract with the University of Hawaii Environmental Center to perform a comprehensive review of the environmental impact statement process, and to appropriate money to the Department of Health to fund the contract and for the Environmental Council to hire a program director to coordinate the State's environmental justice activities.

The University of Hawaii Environmental Center, the State Office of Environmental Quality Control, the State Environmental Council and the Chair of the State Environmental Council, the Conservation Council for Hawaii, and one individual submitted testimony in support of this measure.

Your Committees find that it has been fifteen years since the most recent review of the environmental impact statement process. According to the University of Hawaii Environmental Center, numerous changes have occurred during that time in the theory and practical application of environmental management. These changes impact the ability of existing environmental impact statement procedures to deal adequately with new and continuing development proposals. A comprehensive and scholarly review of the process will help determine the process' efficacy and whether a need exists to update chapter 343, Hawaii Revised Statutes.

Your Committees further find that there is a need to develop an environmental justice guidance document. Such a document will help ensure that principles of environmental justice are systematically included in all phases of the environmental review process. The document will also assist in ensuring that each agency fulfills its duty to identify and address any disproportionately adverse human health, environmental, or cultural effects on minority populations, native Hawaiians, and low-income populations that would be caused by the agency's policies, programs, activities, or proposed actions.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Hee, Hooser).

SCRep. 2179 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 2357

The purpose of this measure is to remove the sunset date on the use of new safe harbor agreements, habitat conservation plans, and incidental take licenses as recovery options for conserving and protecting the State's endangered species.

The Department of Transportation, the Department of Land and Natural Resources, the Hawaii Agriculture Research Center, the Land Use Research Foundation of Hawaii, and the Hawaii Farm Bureau submitted testimony in support of this measure. The University of Hawaii Environmental Center submitted comments.

Your Committees agree with the Department of Land and Natural Resources that the State needs the flexibility to work cooperatively with its federal counterparts, private landowners, and other government agencies to deal with the complexities of the endangered species situation in Hawaii.

Your Committees find that this measure will enable the State to continue using proactive, workable solutions to protect and conserve our endangered species while allowing for acceptable resource use activities.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2357 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 2180 Health on S.B. No. 3227

The purpose of this measure is to ensure that the definitions in chapter 329, Hawaii Revised Statutes, are consistent with federal law, to establish central fill pharmacies, clarify the requirements of a controlled substance prescription, and to allow the sharing of controlled substance prescription information with other state monitoring systems.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of Public Safety, Kaiser Permanente, Hawaii Pharmacists Association, Longs Drugs, and one individual.

Your Committee finds that the Uniform Controlled Substances Act needs to be up-to-date and to conform with current federal law. Your Committee further finds that the central fill prescription system will allow for centralization of pharmacy operations, use the latest information technology, make the processing of legal controlled substances more efficient, and continue to protect medical information from being illegally disseminated.

Your Committee has adopted the suggestions of the Department of Public Safety and Longs Drugs and has amended this measure by 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3227, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2181 Health on S.B. No. 2133

The purpose of this measure is ensure religious and cultural beliefs are protected by allowing the release of a woman's placenta to her or a designated individual after childbirth.

Your Committee received testimony in support of this measure from `Ahaui Siwila Hawaii O Kapolei, the Waikiki Hawaiian Civic Club, Hawaii Women's Coalition, Native Hawaiian Legal Corporation, Office of Hawaiian Affairs, Papa Ola Lokahi, and twelve individuals, including mental health professionals and medical doctors. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that Native Hawaiian traditions and customary practices are essential to sustaining the Hawaiian culture, and need protection. An important cultural practice is for the family to bury the placenta or `iewe after a child is born. This Hawaiian custom dates back to pre-contact Hawaii culture. Your Committee also notes that in addition to na kanaka maoli, other cultures, including Chinese, Filipino, and Japanese, all practice some form of burying the placenta to protect the child and ensure its future health.

Your Committee further finds that it is imperative that hospitals and other health care facilities allow families of newborns who want to continue this tradition by releasing the placenta to the mother.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2133, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 2182 (Joint) Health and Labor on S.B. No. 3262

The purpose of this measure is to establish a new chapter that protects the public health and welfare by prohibiting smoking in public places and places of employment, ensuring a consistent level of basic protections statewide from exposure to secondhand smoke.

Your Committees received testimony in support of this measure from the Department of Health, Department of Human Resources Development; Department of Accounting and General Services; Hawaii Medical Service Association; American Heart Association; American Lung Association; Coalition for a Tobacco Free Hawaii; Mothers Care for Tomorrow's Children; American College of Obstetricians and Gynecologists-District VIII, Hawaii Section; Laborers' International Union of North America-Local 368; Hawaii Women's Coalition; Hawaii County Council; Hawaii Primary Care Association; Hawaii Pacific Health; High Technology Development Corporation; and forty-five individuals.

Your Committees find that exposure to secondhand smoke is a health hazard and causes heart disease, cancer, SIDS, asthma, and other diseases. Thus, it is extremely appropriate to protect innocent non-smokers from these effects by prohibiting smoking in the work place and public places. Your Committees further find that this measure will reflect the most current public health policy relating to secondhand smoke and create a new statewide smoking law to ensure consistent levels of basic public health protections.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3262 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Taniguchi, Whalen).

SCRep. 2183 Water, Land, and Agriculture on S.B. No. 3086

The purpose of this measure is to require the annual lease rent appraisal for the reopening of an agricultural park lease to be based on the highest and best use, determined through an agricultural income capitalization approach that considers the potential agricultural yield from the property.

Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the East Oahu Farmer's Association, and one individual. Comments on the measure were also submitted by the Department of Agriculture.

Your Committee finds that the thriving real estate market in Hawaii has resulted in large increases in the lease rents for state agricultural park leases. As current appraisals for agricultural park lease reopenings are based on comparable land sales, leases scheduled for reopenings are subject to significant increases. Your Committee is concerned that these increases will adversely impact the ability of agricultural park lessees to sustain their farming operations. Your Committee determines that various options must be explored to attempt to stabilize the lease rents for state agricultural parks. This measure will require agricultural park lease rent appraisals to be based on an income capitalization approach that considers the potential agricultural yield from the property. Your Committee believes that this method will more accurately reflect the potential agricultural productivity of the land and immunize the lease rents from the spiking real estate market, thereby making the lease rents affordable for the State's farmers.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3086 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2184 (Joint) Water, Land, and Agriculture and Transportation and Government Operations on S.B. No. 2493

The purpose of this measure is to amend Act 8, Special Session Laws of Hawaii 2005, to allow the Hawaii Sustainability Task Force (task force) more time to create its sustainability plan.

Testimony in support of this measure was submitted by the Office of the Auditor and the Office of Planning.

Your Committees find that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the task force to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the task force submitted its first report to the Legislature, and in the report, the task force determined that, among other things, the process to create the 2050 Sustainability Plan should include research and data gathering, community input and outreach, and activities to educate the public. However, these efforts take a significant amount of planning and coordination. Thus, this measure amends Act 8 by:

- (1) Extending the task force's deadline by one year to complete the 2050 Sustainability Plan; and
- (2) Extending the task force's authority to June 30, 2008.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2493 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Hooser, Kanno).

SCRep. 2185 (Joint) Water, Land, and Agriculture and Transportation and Government Operations on S.B. No. 3098

The purpose of this measure is to exclude Piers 1 and 2 from the Kakaako Community Development District.

Testimony in support of this measure was submitted by the Department of Transportation (DOT), Hawaii Community Development Authority (HCDA), the University of Hawaii's School of Ocean and Earth Science and Technology, the Chamber of Commerce of Hawaii, the Hawaii Harbor Users Group, the International Longshore and Warehouse Union Local 142, and two individuals. Testimony in opposition was submitted by the Department of Business, Economic Development, and Tourism.

Maritime lands, particularly harbors, are a finite resource of the State. Areas such as Piers 1 and 2 located in Honolulu Harbor contain vital and unique maritime cargo facilities that cannot easily be relocated, and projections made by the DOT Harbors Division indicate that foreign cargo capacity will be exhausted within five years at its present rate of growth. Thus, your Committees find that

the DOT Harbors Division is best equipped to manage the two piers. Accordingly, this measure transfers the jurisdiction of Piers 1 and 2 and the contiguous backup fast lands from the Kakaako Community Development District to the DOT Harbors Division.

Your Committees find that regardless of which department or authority has jurisdiction, it is important that HCDA continue providing input into planning and implementing appropriate compatible maritime development in the waterfront area. This input process is essential to HCDA's legislative mandate and is necessary to examine the entire district with a holistic perspective, which includes traffic and infrastructure improvements. These elements are all needed to successfully operate maritime businesses in and around Piers 1 and 2, and it is important for all parties concerned, including HCDA, to continue to focus on long-term solutions both inside and outside of Honolulu Harbor.

Your Committees also noted testimony from DOT suggesting that the description of the area to be transferred may be problematic. Thus, your Committees adopted the description for the area suggested by DOT and also amended this measure to make technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3098, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3098, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Hooser, Kanno).

SCRep. 2186 Water, Land, and Agriculture on S.B. No. 3094

The purpose of this measure is to clarify that landowners may not file claims for accreted land resulting from encouraged vegetation on the property's seaward boundary.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Testimony in opposition of this bill was submitted by Mr. Robert Toyofuku, an attorney on behalf of several landowners. The Office of the Attorney General submitted comments.

Your Committee finds that the current law for accreted lands allows only the State to register accreted lands along the ocean, except for private landowners whose eroded land has been restored by accretion. This measure clarifies this provision by specifically precluding any private landowner from registering accreted lands on the seaward boundary of the property if the owner planted, maintained, or otherwise encouraged vegetation on the additional land.

Your Committee noted that there is a class action lawsuit pending in Circuit Court regarding private landowner rights to accreted lands, and the testimony given by Mr. Toyofuku, on behalf of several landowners, expressed concerns about the current laws regarding accreted lands and the provisions in this measure. Mr. Toyofuku noted that the current law only permits the State to own accreted lands that extend along the shoreline, and he believes this provision, which was implemented in 2003, was a "marked departure from the clearly established common law of the State prior to 2003." As a remedy to this disparity, Mr. Toyofuku offered an amendment to this measure that:

- (1) Also precludes the registration of accreted lands extended by encouraged vegetation; and
- (2) Allows private landowners to register accreted lands on the seaward boundary of a property when the extension of land occurs naturally and is permanent.

Your Committee considered the testimony and the amendments suggested by Mr. Toyofuku, but did not adopt the changes.

Your Committee has amended this measure by making a technical, non-substantive amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3094, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2187 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2759

The purpose of this measure is to give affordable housing projects priority in the land use approval and permitting process.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Housing and Community Development Corporation of Hawaii. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of Planning and Permitting and the Chair of the Maui County Council. Comments were submitted by the Land Use Research Foundation of Hawaii.

Your Committees find that affordable housing is a major problem facing this State, and it appears that one aspect of the problem is the extended length of time it takes to process permits for affordable housing development projects. Thus, this measure requires all state and county agencies to give priority to affordable housing projects in the land use, zoning, and permit review and issuing process.

Your Committees have amended this measure by:

- (1) Requiring that projects involving the health and safety of the community take priority over affordable housing projects;
- (2) Changing the agency that certifies the affordable housing projects from the Hawaii Housing Administration to the Hawaii Housing Finance and Development Administration;
- (3) Providing a sunset provision to repeal this measure on June 30, 2009; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2759, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2759, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2188 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 3075

The purpose of this measure is to provide a tax credit for important agricultural lands (IAL) county property taxes.

Testimony in support of this measure was submitted by C&H Farms, Kamehameha Schools, and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Department of Taxation, the City and County of Honolulu's Department of Budget and Fiscal Services and Department of the Corporation Counsel, the County of Hawaii's Finance Department, and the Tax Foundation of Hawaii. Comments were submitted by the Department of Agriculture.

Your Committees find that providing incentives for landowners and farmers on IAL are very crucial to our agricultural industry's well-being. Thus, this measure:

- (1) Establishes an IAL tax credit equal to the amount of county property taxes paid by taxpayers who use their IAL for commercial agricultural purposes; and
- (2) Reduces each county's portion of the transient accommodations tax revenue by the amount of credits claimed against each county's property tax assessments.

Your Committees have amended this measure by:

- (1) Changing the effective date to provide that on July 1, 2050, section 237D-6.5(b) and (c) shall be amended to include the changes made in this measure;
- (2) Inserting an effective date of July 1, 2050 to ensure ongoing discussions on this issue; and
- (3) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3075, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3075, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2189 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2017

The purpose of this measure is to appropriate funds for state lifeguards.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR), the Hawaiian Lifeguard Association, and the Kauai Water Safety Task Force.

Your Committees find that lifeguards serve an essential function in a state surrounded by the ocean and numerous freshwater attractions. Lifeguards allow the public to enjoy the natural beauty of our waters and contribute to Hawaii's reputation as a desirable place to live and visit. This measure makes an appropriation to match county funds for lifeguards on the islands of Kauai and Maui.

Your Committees have amended this measure by blanking out the amount of the appropriation.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2017, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2017, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2190 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2412

The purpose of this measure is to provide permanent liability protection for county lifeguard services and for public entities that post warning signs at public parks and beaches.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Land and Natural Resources, the City and County of Honolulu's Department of the Corporation Counsel and Honolulu Emergency Services Department, the Mayor of the County of Hawaii, and the Hawaiian Lifeguard Association. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committees find that providing lifeguard services and adequate warning signs at certain beaches and parks are necessary to increase public safety and reduce ocean-related accidents. However, your Committees further find that when those services and proper warning signs are provided, the State and the counties should be afforded some protections from liability. Thus, this measure amends the current laws to make the liability protections permanent.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2412 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2191 Water, Land, and Agriculture on S.B. No. 2155

The purpose of this measure is to authorize and appropriate funds to the Agribusiness Development Corporation (ADC) for the purchase of agricultural land and enable ADC to lease specific agricultural lands and to contract with banks to provide lease management services.

Testimony in support of this measure was submitted by ADC, the Dean of the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau, the International Longshore and Warehouse Union Local 142, and the Wahiawa Community and Business Association, Inc.

Your Committee finds that purchasing high-quality agricultural land and providing long-term leases are valuable mechanisms to conserve and protect agricultural lands, as mandated by Article XI, Section 3 of the Hawaii State Constitution. This measure:

- (1) Allows ADC to contract with financial institutions to provide lease management services, which includes the collection of lease rent and any other moneys owed to ADC related to the lease of agricultural lands under its control;
- (2) Authorizes ADC to lease lands under its control;
- (3) Creates a process to ensure that certain lands in Waialua on the island of Oahu remain available for agriculture and managed properly; and
- (4) Appropriates money to ADC to purchase agricultural lands owned by the Galbraith Estate in Waialua on the island of Oahu.

Your Committee has amended this measure by:

- (1) Clarifying that ADC may lease lands under its control for no more than fifty-five years; and
- (2) Making technical, nonsubstantive changes for consistency and style.

Your Committee noted concerns raised by ADC regarding the purchase of lands owned by the Galbraith Estate. Specifically, ADC clarified that the Galbraith Estate owns part of Lake Wilson, and ADC recommends exercising caution regarding assuming liability associated with the lake.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2155, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2192 Water, Land, and Agriculture on S.B. No. 2235

The purpose of this measure is to allow the Department of Agriculture to delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount and the principal balance on existing loans do not exceed \$75,000.

Testimony in support of this measure was submitted by the Department of Agriculture (DOA), the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, and C&H Farms.

Your Committee finds that, under the current law, the DOA may delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount plus any principal balance on existing loans does not exceed \$25,000. This loan approval ceiling has not increased since the authority was granted in 1982. Your Committee further finds that over the past three years, approximately one-third of the loan requests to the DOA have been for \$75,000 or less. The DOA has indicated that this measure will reduce the approval time for smaller loans, loans for \$75,000 or less, by one to two months. Your Committee believes that changes in the agricultural and aquacultural industries necessitate the expedited approval of increased loan amounts in order to streamline the system, better serve the needs of the industries, and allow the Board additional time and resources to carefully consider the approval of other larger loan requests.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2193 Water, Land, and Agriculture on S.B. No. 3079

The purpose of this measure is to transfer the administration of agricultural leases from the Department of Land and Natural Resources (DLNR) to the Agribusiness Development Corporation (ADC).

Testimony in support of this measure was submitted by C&H Farms. Testimony in opposition to this measure was submitted by the Department of Agriculture, ADC, DLNR, the Big Island Farm Bureau, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau.

Your Committee finds that ADC is a unique government entity that can optimize the use of agricultural assets for the economic, environmental, and social benefit of the State. This measure utilizes these unique abilities by transferring the administration of agricultural leases from DLNR to ADC.

Your Committee has amended this measure by:

- (1) Inserting the effective date of "January 1, 2060" to ensure further discussions on this measure; and
- (2) Making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3079, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2194 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.B. No. 2984

The purpose of this measure is to appropriate funds to the Kikala-Keokea housing revolving fund to provide low-interest home construction loans for Kikala-Keokea leaseholders and to fund related activities.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii and the Hawaii County Economic Opportunity Council.

Your Committees find that Act 314, Session Laws of Hawaii 1991, as amended, authorized the Department of Land and Natural Resources to negotiate long-term leases with displaced families from Kalapana on ceded lands in the Kikala-Keokea homestead area. Act 314 was enacted to assist those displaced by the continuing lava flows from Kilauea, which began in 1983 and led to the eventual destruction of Kalapana in 1991. Your Committees further find that pursuant to Act 144, SLH 2001, the Legislature established the infrastructure development fund, to fund the construction of roads, water lines, and other infrastructure, and the Kikala-Keokea housing revolving fund, to provide low-interest loans to Kikala-Keokea lessees for residential construction. Your Committees believe that it is time to initiate the final step in this endeavor by appropriating the necessary funding to allow the disadvantaged survivors of the destructive lava flows at Kalapana to end their displacement, and to begin construction on their own homes.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2984 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2195 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2986

The purpose of this measure is to clarify the requirements for taking private property by eminent domain.

Testimony in support of this measure was submitted by C&H Farms, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Maui County Farm Bureau, Small Landowners Association of Hawaii, Small Landowners of Oahu, and three individuals. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of the Corporation Counsel and Department of Planning and Permitting, the Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company.

Your Committees find that in the wake of a recent United States Supreme Court decision in *Kelo v. New London*, 125 S.Ct. 2655 (2005), there has been a growing concern that the need for urban renewal or economic development may be cited as justification for allowing the government to condemn private property for the benefit of another private entity but not clearly for a public use. Thus, this measure amends the provisions for taking private property to require that:

- (1) Private property may be taken only upon an independent judicial review;
- (2) The property must be used and occupied by the condemnor or may be leased only to entities regulated by the Public Utilities Commission; and
- (3) The former owner or heir may have the right of first refusal to reacquire the property if the property ceases to be used for the stated public purpose.

Your Committees have amended this measure by:

- (1) Adopting Hawaiian Electric Company's recommendations to preclude public utilities from the independent judicial review process;
- (2) Clarifying that only properties taken after the effective date of this Act are subject to the right of first refusal provisions;
- (3) Providing that the price for reacquiring the property will be fair market value;
- (4) Providing a definition for "stated public use"; and
- (5) Making technical, nonsubstantive changes for style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2986, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2986, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2196 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 3191

The purpose of this measure is to prohibit the taking and transferring of private property to a private entity that had expressed an interest in purchasing the property for development or commercial purposes or any other private use.

Testimony in support of this measure was submitted by C&H Farms, Hawaii Association of Realtors, Small Landowners of Oahu, Small Landowners Association of Hawaii, and one individual. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of Planning and Permitting.

Your Committees find that in the wake of a recent United States Supreme Court decision in *Kelo v. New London*, 125 S.Ct. 2655 (2005), there has been a growing concern that the need for urban renewal or economic development may be cited as justification for allowing the government to condemn private property for the benefit of another private entity but not clearly for a public use. This measure amends the provisions for taking private property to prohibit taking and transferring property to another private entity that had previously expressed an interest in purchasing the property for development or commercial purposes or any other private use.

Your Committees have amended this measure by:

- (1) Excluding public utilities, irrigation systems, affordable housing and community developments, and the condemnation of development tracts from the new provisions; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3191, as amended herein,

and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3191, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Hooser, Inouye, Nishihara).

SCRep. 2197 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2229

The purpose of this measure is to authorize second mortgage loans to pay downpayment and closing costs associated with the purchase of residential property by teachers.

Your Committees received testimony in support of this measure from the Hawaii State Teachers Association and the Hawaii Association of Realtors. Comments in support of the intent of this measure were received from the Department of Human Services Housing and Community Development Corporation of Hawaii (HCDCH) and the Department of Education.

Your Committees find that this measure would be of particular benefit to teachers on the neighbor islands, and that a future partnership between the Department of Education and the federal Employer-Assisted Housing program should be explored to administer a downpayment loan program specifically for teachers.

Your Committees have amended this measure by removing amendments relating to the Teachers' Housing Revolving Fund and the HCDCH's downpayment loan program, as suggested by HCDCH, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2229, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2198 Education and Military Affairs on S.B. No. 2653

The purpose of this measure is to require that one member of the Hawaii Teacher Standards Board come from a non-teaching background, and to allow the Department of Education to consider hiring persons with bachelor's degrees to teach in the subject areas in which they have a degree.

Your Committee received testimony in support of this measure from the Governor's office. Comments in opposition to section one of this measure were received from the Department of Education, the Hawaii Teacher Standards Board, and one individual. Your Committee received comments on this measure from the Hawaii State Teachers Association.

Your Committee finds that maintaining the highest possible teacher standards and supporting newly hired teachers is of great importance to the community at large.

Your Committee has amended this measure by increasing the Hawaii Teacher Standards Board membership from thirteen to fourteen, and by restoring the board's teacher membership allocation to its original six members.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2653, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2199 Education and Military Affairs on S.B. No. 2860

The purpose of this measure is to appropriate funds to provide additional teacher and educational assistant positions for junior kindergarten and kindergarten classes, and to conduct a longitudinal study to evaluate the junior kindergarten pilot program.

Your Committee received testimony in support of the intent of this measure from the Department of Education.

Your Committee finds that supporting the junior kindergarten pilot program is an important part of improving public early education.

Your Committee has amended this measure by including appropriation amounts, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2860, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2200 Education and Military Affairs on S.B. No. 3103

The purpose of this measure is to authorize the issuance of general obligation bonds in the sum of \$92,000,000 and to appropriate out of general revenues the sum of \$60,000,000 to reduce the backlog of repair and maintenance projects for Department of Education facilities.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that there is a compelling need to immediately fund the backlog of repair and maintenance projects in the public schools because Hawaii's children deserve a quality education in a clean, safe environment. This backlog is currently estimated at \$525,000,000 and includes recurring major and minor repairs, ongoing cycle maintenance, service and contract maintenance, nonrecurring projects, and emergency repairs. Your Committee notes that this measure gives priority to projects that have been on the list the longest amount of time.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3103 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

SCRep. 2201 (Joint/Majority) Health and Human Services on S.B. No. 2727

The purpose of this measure is to support neurotrauma survivors by allowing funds from the neurotrauma special fund to be used for direct health care services.

Your Committees received testimony in support of this measure from Hawaii Disability Rights Center, Hawaii Psychological Association, Hawaii Services for the Disabled, and six individuals. Your Committees received testimony in opposition to this measure from the Department of Health. Comments were received from the Department of Human Services.

Your Committees find that the neurotrauma special fund needs to be better utilized. Over the past few years, little has been done with the fund except to pay staff salaries. The fund was created to provide education, assist in identifying and accessing services, and develop a registry of individuals with neurotrauma injuries. However, the registry has not been created and a support coordination contract has not been implemented.

Your Committees further find that the neurotrauma special fund will better serve the needs of neurotrauma survivors by funding direct services for these individuals and establishing a waiver program to leverage federal funds and attract private grant matching funds.

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. 2727 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2202 (Joint) Health and Human Services on S.B. No. 2729

The purpose of this measure is to ensure underserved communities receive dental services by establishing a student loan repayment program as an incentive for dentists who serve these communities.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Human Services, Hawaii Dental Association, Hawaii Primary Care Association, Kokua Council, Kokua Kalihi Valley, and one individual.

Your Committees find that a severe shortage of dental services exists in the rural and underserved communities of Hawaii. Dental health is essential to an individual's overall health and well-being. Your Committees further find that an incentive is needed to encourage more dentists to provide services to the underserved communities and that a student loan repayment program will maximize the availability of quality dental care.

Your Committees amended this measure by adopting the Department of Human Services' recommendation to address the fact that dental services for all Medicaid recipients, not just Med-QUEST recipients, are paid for on a fee-for-service basis.

Additionally, your Committees want to ensure that dentists who receive the loan repayment benefit serve low income or uninsured clients, and have amended the bill to strengthen those provisions.

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. 2729, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2203 (Joint) Health and Human Services on S.B. No. 2001

The purpose of this measure is to establish a Hawaii caregiver grant program to assist family caregivers in offsetting the costs of caring for a mentally or physically impaired relative.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure as written from the Executive Office on Aging and Policy Advisory Board for Elder Affairs.

Your Committees find that family caregivers are vital to the long-term health care of elderly and disabled individuals who prefer to receive care and assistance at home. Home care is a costly role for family caregivers and often a full-time job.

Your Committees further find that other states have implemented similar grant programs for family caregivers that have proven to be successful. These programs have shown to be an important incentive for families and have saved these states staggering amounts in Medicaid costs alone.

Your Committees adopted the recommendation of the Executive Office on Aging and amended this measure by eliminating the special fund, as it does not meet the financially self-sustaining requirement of section 37-52.3, Hawaii Revised Statutes.

Your Committees further amended this measure by allowing grant applicants to apply between January 1 and March 1, rather than between February 1 and May 1, of the year following the calendar year in which the care was provided. This would allow grant payments to be received closer in time to the actual services provided.

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. 2001, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2204 (Joint/Majority) Health and Human Services on S.B. No. 3270

The purpose of this measure is to provide cost-effective care to uninsured individuals and to financially support the community health center system.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii, Hawaii Primary Care Association, Ho'ola Lahui Hawaii, Kalihi-Palama Health Center, Hawaii Psychiatric Medical Association, Molokai Community Health Center, Waikiki Health Center, Kiuchi & Nakamoto, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, and one individual. Your Committees received testimony in opposition to this measure from the Department of Health, the Department of Human Services, and the Attorney General.

Federally qualified health centers are the most effective means for delivering comprehensive health care to uninsured individuals. Your Committees find that these community-based health centers are facing increased demands and need financial support.

Your Committees further find that federally qualified health centers and rural clinic services rely on a complex array of federal, state, and private funding to support their programs. The state Med-QUEST funding is the single most important source of funding for the community health centers. Reimbursements are provided through a prospective payment system (PPS). As this system is crucial to financing these centers, your Committees have codified this mechanism in the bill.

Your Committees have amended this measure by:

- (1) Deleting sections 5, 6, and 7, which lifted the cap on enrollment in the QUEST health insurance program and made an appropriation to cover the additional patients; and
- (2) Adopting the Department of Health's suggestion to define ancillary services by including education, outreach, and follow-up.

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. 3270, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3270, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2205 (Joint) Health and Human Services on S.B. No. 3224

The purpose of this measure is to allow individuals who participate in the state Medicaid program to have open access to mental health medications.

Your Committees received testimony in support of this measure from the Hawaii Disability Rights Center, Hawaii Psychiatric Medical Association, Waianae Coast Comprehensive Health Center, Waipahu Aloha Clubhouse, Ko'olau Clubhouse, and eleven individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services and Kaiser Permanente.

Your Committees find that it is crucial for all individuals with mental illness to receive appropriate treatment. The consequences of not providing adequate medication to treat mental illness are severe.

Your Committees amended this measure by:

- (1) Repealing the requirement that a licensed physician consult with a psychiatrist before prescribing a psychotropic medication;
- (2) Amending the reporting date to 2008, allowing the department of human services an additional year to report its findings to the legislature; and
- (3) Repealing the sunset date.

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. 3224, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3224, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Tsutsui, Trimble, Whalen).

SCRep. 2206 Health on S.B. No. 2961

The purpose of this measure is to discourage smoking, especially by young people, by increasing the tax on cigarettes, and to allocate funds to effective sources in the prevention and treatment of cancer caused by smoking.

Your Committee received testimony in support of this measure from American Lung Association, American Heart Association, American Cancer Society, Healthcare Association of Hawaii, Hawaii Science and Technology Council, Hawaii Medical Service Association, Hawaii Health Systems Corporation, Coalition for a Tobacco Free Hawaii, High Technology Development Corporation, The Pacific Resource Partnership, Bendet, Fidell, Sakai & Lee, L.C., and eighteen individuals. Your Committees received testimony in opposition to the measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that tobacco use is responsible for over one thousand one hundred deaths per year in Hawaii and costs the State over \$525,000,000 in health care and other associated costs per year. Smoking is the largest preventable cause of morbidity and mortality in the nation.

Your Committee further finds that increasing the tax on cigarettes is the most effective deterrent to smoking, especially for young people, and an incentive for users to quit. Dedicating fifty per cent of the increase in the cigarette tax to the Cancer Research Center of Hawaii will provide the funding necessary to enable the Center to expand into a state-of-the-art comprehensive cancer research and treatment center. Additionally, an expanded center will allow Hawaii residents access to an array of cancer treatments and the opportunity to participate in early phase clinical trials here in Hawaii. At present, Hawaii residents must travel to the mainland at significant expense to receive such services. Further dedicated funding to the Center will help ensure retention of its prestigious National Cancer Institute designation.

Your Committee further finds that this is an appropriate use of these revenues, as cancer is a disease often caused by smoking.

Additionally, your Committee finds that earmarking twenty-five percent of the increase to the Department of Health for promotion and disease prevention programs and twenty-five percent to the Hawaii Tobacco Prevention and Control trust fund will advance the State's initiatives for a healthier Hawaii, including assistance to help smokers quit.

Finally, your Committee notes that although the charge on cigarettes is called a tax, the charge is appropriately characterized as a user fee since paying the fee can be avoided. People can choose not to pay the increased fee by choosing not to smoke.

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. 2961 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2207 Human Services on S.B. No. 1017

The purpose of this measure is to require members of the clergy to report cases of child abuse, except information received from confidential communications, to the police or the Department of Human Services (DHS).

Your Committee received testimony in support of this measure from the DHS, Honolulu Police Department, Christian Science Committee on Publications, Catholic Charities, and The Sex Abuse Treatment Center.

Your Committee finds that, in the interests of protecting children from abuse, the clergy should have the same obligations to report incidences of child abuse to the proper authorities that other professionals who work with children do. The desire of your Committee is to identify cases of child abuse or neglect at its earliest stages. Your Committee views this measure as a detection device rather than an invasion of privacy or privileges. Your Committee notes that there is an exception for confidential communications.

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. 1017 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2208 Human Services on S.B. No. 1200

The purpose of this measure is to afford parents an opportunity to file for dissolution of a guardianship if the parents demonstrate they can provide a safe family home for the children.

Your Committee received testimony in support of the measure from the Department of Human Services. The Judiciary submitted comments regarding this measure.

Your Committee finds that this measure will encourage the rehabilitation of parents and the reunification of families by allowing parents to petition the Family Court for a dissolution of a permanent guardianship of their children, upon a showing of a change in circumstances and a demonstration that they are willing and able to provide a safe family home for their children.

Your Committee has amended this measure to clarify that the parents must be able to show a change in circumstances relative to their ability to provide a safe home and to demonstrate that they are willing and able to provide a safe home for the child without the assistance of a service plan. Your Committee also has amended this measure by 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 Human Services 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 referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2209 Human Services on S.B. No. 2140

The purpose of this measure is to require the Department of Human Services to adjust the Medicaid eligibility spenddown level.

Specifically, it requires the Department to apply a medically needy standard that is equal to the current federal poverty level for a family of the same size when determining income eligibility for the QUEST program.

Your Committee received testimony in support of the measure from the Legal Aid Society of Hawaii and the National Association of Social Workers. Your Committee received testimony in opposition to the measure from the Department of Human Services.

Your Committee finds that this measure will implement the suggestions of the Legal Aid Society of Hawaii and National Association of Social Workers regarding the addition of Medicaid spenddown provisions as well as QUEST spenddown provisions.

Accordingly, your Committee has amended this measure to require the Department of Human Services to disregard an amount of income equal to the difference between one hundred thirty-three percent of the assistance allowance and one hundred percent of the federal poverty level, as adjusted annually by the federal government, for a family of the size applying for the 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 is in accord with the intent and purpose of S.B. No. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2210 Human Services on S.B. No. 2163

The purpose of this measure is to add the definition of "relative caregiver" and to amend the definition of "elder or elderly household" to include the minor children for whom a grandparent or other relative is the primary caretaker.

Your Committee received testimony in support of the measure from the Office of Hawaiian Affairs; Na Tutu, Grandparents Raising Grandchildren; and three individuals. Your Committee received testimony in opposition to the measure from the Department of Human Services, Housing and Community Development Corporation of Hawaii.

Your Committee finds that grandparents and other relatives raising minor children whose parents are unwilling or unable to do so should not be restricted from eligibility to reside in elderly public housing projects because of their caretaking role.

Your Committee has amended this measure by:

- (1) Adding the definition of “relative caregiver”;
- (2) Amending the definition of “elder” or “elderly” to be a person who is at least fifty-five years of age;
- (3) Amending the definition of “elder or elderly households” to include minor children for whom a grandparent or other relative is the primary caretaker, and changing the minimum required age for household members to at least fifty-five years of age; and
- (4) Adding language that provides against the impairment of federal funds.

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. 2163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2163, S.D. 1, and be referred to the Committees on Commerce, Consumer Protection, and Housing and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2211 Human Services on S.B. No. 2174

The purpose of this measure is to establish a refundable tax credit for tuition and fees for attending parenting skills and child development classes.

Your Committee finds that parents who attend parenting and child development classes have enhanced skills and better parenting attitudes. Parent education classes help reduce child abuse and neglect by providing parents with the tools to create a nurturing environment for their children. Offering a tax credit provides incentive for parents to participate in parenting education classes, and helps parents defray the costs associated with the courses.

Your Committee received testimony in support of the measure from The Institute for Family Enrichment. Your Committee received testimony in opposition to the measure from the Department of Taxation and TaxBill Service.

Your Committee has amended this measure by:

- (1) Adding the definitions of “evidence-based practices” and “qualified parenting class”;
- (2) Clarifying that parents must attend parenting classes within the State to qualify for a tax credit;
- (3) Granting rulemaking authority to the Director of Taxation;
- (4) Requiring the Department of Human Services to certify qualified parenting classes and maintain a current list of providers; and
- (5) Inserting a limit on the credit an individual taxpayer may claim, and an aggregate limit for all qualified taxpayers.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2174, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2212 Human Services on S.B. No. 2185

The purpose of this measure is to create the community-based, family-centered models special account to award grants to establish and maintain community-based, family-centered models throughout the State and to appropriate funds for the Even Start literacy program.

Your Committee finds that one-stop, community-based family centers encourage family strengthening and skill enhancement. Your Committee further finds that the Even Start preschool and parent education program helps prepare children from non-English speaking and economically disadvantaged families to enter kindergarten meeting age appropriate standards. Funding for these programs is essential to ensure their continued support of Hawaii’s families.

Your Committee received testimony in support of the measure from the Department of Education, the Department of Human Services, Queen Kaahumanu Elementary School, Blueprint for Change, Keiki O Ka `Aina Family Learning Centers, and two individuals. Your Committee received testimony in opposition to the measure from the Department of Budget and Finance. The Attorney General submitted comments regarding this measure.

Your Committee has amended this measure by:

- (1) Removing the provisions relating to a special account;
- (2) Adding a blank appropriation for developing community-based, family-centered models throughout the State; and
- (3) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2185, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2213 Human Services on S.B. No. 2188

The purpose of this measure is to replace the director of the office of children and youth with the chief justice of the supreme court, or a designee, as a member of the Commission on Fatherhood.

Your Committee received testimony in support of the measure from the Department of Human Services, Family Support Services of West Hawaii, Hawaii Coalition for Dads, State Commission on Fatherhood, and one individual. Your Committee received testimony in opposition to the measure from the Judiciary. The Attorney General submitted comments on this measure.

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

Your Committee acknowledges the importance of the separation of powers within the three branches of state government, and recognizes that the Commission also serves incarcerated fathers. Accordingly, your Committee has amended this measure by removing the chief justice from the Commission's membership, and adding the director of public safety as a member of the Commission. Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2188, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2214 Human Services on S.B. No. 2249

The purpose of this measure is to clarify that information maintained by the Child Support Enforcement Agency may be disclosed to authorized persons who are directly involved with the administration and implementation of a program approved under Title IV-E of the Social Security Act.

Your Committee received testimony in support of the measure from the Department of the Attorney General, including the Child Support Enforcement Agency, and the Department of Human Services.

Your Committee finds that this is a housekeeping measure concerning Title IV-E determinations by the Department of Human Services. This measure would facilitate the Department's determinations of eligibility for federal funds for foster care maintenance and adoption assistance and would provide additional information about parents whose children are placed in the Department's foster custody.

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. 2249 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2215 (Joint) Human Services and Health on S.B. No. 2325

The purpose of this measure is to allow licensed physicians who treat QUEST medical plan patients who suffer from acquired immune deficiency syndrome or hepatitis C, or who need transplant immunosuppressives, to prescribe federally approved medications without having to comply with any preauthorization procedure under the medicaid preauthorization exemption law.

Your Committees received testimony in support of this measure from Department of Human Services, Hawaii Disability Rights Center, State Advisory Board on HCV, and two individuals. Comments were received from the Hawaii Medical Service Association.

Deletion of the QUEST medical plans exemption would provide equal access when it comes to providing open, unrestricted access to medications for medicaid clients who suffer from human immunodeficiency virus, acquired immune deficiency syndrome, or hepatitis C, or who need immunosuppressives as a result of organ transplants, regardless of whether they are in the medicaid fee-for-service or the medicaid QUEST programs.

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. 2325 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2216 (Majority) Human Services on S.B. No. 2327

The purpose of this measure is to clarify that the staff of a public or private school, agency, or institution immediately shall report known or suspected child abuse or neglect directly to the Department of Human Services or the police department, before notifying the person in charge of the institutions or a designated delegate.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii State Teachers Association, and the Department of Education.

Your Committee finds that this measure will ensure that all suspected incidents of child abuse and neglect are reported to the Department of Human Services or police department for investigation, rather than first being subject to an internal investigation by the person in charge or a designated delegate, which can result in a delay during which the child can be subjected to continued abuse.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2327, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Kokubun).

SCRep. 2217 Human Services on S.B. No. 2328

The purpose of this measure is to clarify that foster parents have the authority to attend and participate in chapter 587 proceedings subsequent to a disposition hearing.

Your Committee received testimony in support of the measure from the Department of Human Services and the Hawaii Foster Parent Association.

Foster parents are allowed to attend and participate only in review hearings under chapter 587, unless they file a motion to intervene as parties. The family court has discretion whether or not to grant such motions. Your Committee finds that foster parents have an interest in participating in all chapter 587 proceedings occurring after the disposition hearing.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2328, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2218 Human Services on S.B. No. 2330

The purpose of this measure is to require the Office of Youth Services to obtain criminal history record checks on all employees, prospective employees, and volunteers of its contracted providers and subcontractors in positions that require close proximity to youth when providing services on its behalf.

Your Committee received testimony in support of the measure from the Department of Human Services, Department of Human Resources Development and the Office of Youth Services.

Your Committee finds that requiring the Office of Youth Services to obtain criminal history record checks on all prospective employees and volunteers will provide additional protection to the vulnerable youth population at the facility.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2330, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2219 Human Services on S.B. No. 2333

The purpose of this measure is to appropriate funds for the general assistance program.

Your Committee received testimony in support of the measure from the Department of Human Services.

Your Committee finds that this emergency appropriation is for a public purpose and will assist a vulnerable segment of the community.

Your Committee has amended this measure by 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. 2333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2333, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2220 Human Services on S.B. No. 2443

The purpose of this measure is to establish a joint legislative task force to determine the visitation rights, if any, of grandparents and hanai individuals with the children they have informally raised while the children's biological parents were unwilling or unable to do so.

Your Committee received testimony in support of the measure from the Office of Hawaiian Affairs.

Your Committee finds that a task force will examine the issues related to grandparents and hanai individuals informally raising children in Hawaii and make recommendations to the legislature regarding what visitation rights these individuals should have, if any, after the children are reunited with their biological parents.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2443, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2221 Human Services on S.B. No. 2474

The purpose of this measure is to appropriate funds to the Department of Human Services, Office of Youth Services Former Foster Child Assistance Program to aid former Hawaii foster children between the ages of eighteen and twenty-four through administrative support and assistance with job placement, skills training, education, and housing.

Your Committee received testimony in support of the measure from the Department of Human Services, Office of Youth Services; the Office of Hawaiian Affairs; Hale Kipa; the Hawaii Foster Youth Coalition; and one individual.

Your Committee finds that each year approximately one hundred twenty-five foster children in Hawaii reach the age of adulthood and leave the foster care system. Without transitional support, a number of these young adults are at risk for homelessness. This measure will provide at-risk former Hawaii foster children with transitional assistance in the areas of job placement, skills training, education, and housing.

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. 2474 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 2222 (Joint/Majority) Human Services and Health on S.B. No. 3274

The purpose of this measure is to provide a refundable caregiver tax credit to eligible caregivers who care for qualified care recipients.

Your Committees received testimony in support of the measure from the Faith Action for Community Equity Public Health Committee, the Hawaii Alliance for Retired Americans (HARA), and the Policy Advisory Board for Elder Affairs (PABEA). Your Committees received comments on the measure from the Department of Taxation and TaxBill Service.

Family care providers provide an invaluable service to the relatives for whom they provide care. Your Committees find that family caregivers either assist relatives so they can remain in their own homes, or provide care for a family member who lives with the care provider.

Accordingly, your Committees have amended this measure by:

- (1) Adding a definition of “qualified care recipient” that allows the tax credit to be claimed for the care of a care recipient who has resided with the taxpayer for over six months in a taxable year or for a care recipient who has received over fifty per cent of the care recipient’s financial support from the taxpayer;
- (2) Amending the definition of “eligible taxpayer” to include an adjusted gross income limitation of fifty thousand dollars;
- (3) Clarifying that the tax credit is refundable;
- (4) Removing inapplicable provisions relating to the recapture of tax credits; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 3274, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3274, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2223 Human Services on S.B. No. 2507

The purpose of this measure is to eliminate the enrollment cap for the QUEST program.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii Disability Rights Center, the Hawaii Primary Care Association, the Healthcare Association of Hawaii, the Molokai Community Health Center, and the Waianae Coast Comprehensive Health Center. The Hawaii Uninsured Project submitted comments on this measure.

Your Committee finds that this measure will expand the scope of coverage for uninsured people in Hawaii who would otherwise be eligible for the QUEST program but for the enrollment cap.

Your Committee has amended this measure to require the Department of Human Services to submit a request for an amendment of the state waiver from the federal Centers for Medicare and Medicaid Services to remove the enrollment cap for the QUEST plan.

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. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2507, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2224 (Joint) Human Services and Health on S.B. No. 2562

The purpose of this Act is to appropriate moneys to the Department of Health (DOH) for its healthy aging project to assist its action plan.

Your Committees received testimony in support of this measure from the Executive Office on Aging, Hawaii County Office on Aging, Kauai Offices of Community Assistance, Honolulu Department of Community Services, Policy Advisory Board for Elder Affairs, and one individual.

The healthy aging project began in 2003, when state and county aging network and public health programs joined forces to improve the health of older adults through increased physical activity and improved nutrition in local communities. The long-term goal of the healthy aging project is to reduce morbidity and premature mortality. Using evidence-based interventions, the project will improve the health of older individuals in local communities through increased physical activity and improved nutrition.

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. 2562 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2225 (Joint/Majority) Human Services and Health on S.B. No. 2563

The purpose of this measure is to appropriate funds to establish Sage PLUS specialist positions for Kauai, Maui, and Hawaii counties and for operating costs to expand and support the Sage PLUS program on the neighbor islands.

Your Committees received testimony in support of this measure from the Executive Office on Aging and Policy Advisory Board for Elder Affairs.

The Sage PLUS program is currently housed and staffed only on Oahu. The program provides services about 186,000 residents receiving Medicare and Medicaid benefits. Volunteers provide limited service on the neighbor islands for residents of Hilo, Kona, Maui, and Kauai, but there is no office or staff support available to them.

Your Committees believe that it is critical to have a staff person situated on each island to ensure that necessary information and assistance about benefits, options, and rights are provided in a timely manner by a knowledgeable person.

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. 2563 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2226 (Joint) Human Services and Health on S.B. No. 2566

The purpose of this measure is to create a state longevity planning program within the executive office on aging in order to create a public awareness campaign to provide Hawaii residents with information and resources to aid preparation and planning for a productive long life.

Your Committees received testimony in support of this measure from the Executive Office on Aging.

Hawaii residents have the longest life expectancy in the nation and enjoy the benefits of a long life. Nevertheless, your Committees find that many people are not prepared to adequately address the various issues related to longevity. Many people do not begin to explore retirement options and plan for a productive life early enough. Individuals need to be prepared for longevity and its potential impacts on family life and resources. People need good information in order to make informed decisions. This measure would assist these individuals to become as healthy and independent as possible as they approach and progress through the golden years of life.

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. 2566 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2227 Human Services on S.B. No. 2713

The purpose of this measure is to appropriate funds for SageWatch to adopt the former Kupuna ID Project as part of its outreach services.

Your Committee received testimony in support of the measure from the Department of the Attorney General, the Executive Office on Aging, the County of Kauai Agency on Elderly Affairs, Kauai Search and Rescue, and the Alzheimer's Association.

Your Committee finds that the Kupuna ID program is still operational within the Department of the Attorney General, Crime Prevention and Justice Assistance Division; however, because of limited funding, its outreach efforts are limited to providing Kupuna ID cards to senior citizens at community events that attract a large number of senior participants. Your Committee further finds that transferring the program to the Executive Office on Aging's SageWatch Program will enable additional outreach and services through expansion of the program by funding two support positions for outreach efforts and to create and maintain a database or registry available to assist Hawaii's seniors who may become lost, temporarily disoriented, ill, or injured.

Accordingly, your Committee has amended the purpose section to reflect the fact that the program was not abolished and is still active.

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. 2713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2713, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2228 (Joint) Human Services and Education and Military Affairs on S.B. No. 2724

The purpose of this measure is to expand the definition of “infants and toddlers with special needs” to include children through the age at which they are eligible to enter kindergarten.

Your Committees received testimony in support of the measure from Maui Economic Opportunity, Inc. and nine individuals. Your Committees received testimony in opposition to the measure from the Department of Health and the Department of Education. The Hawaii Early Intervention Coordinating Council submitted comments on this measure.

Your Committees find that this measure will implement the suggestions made by a developmental behavioral pediatrician about providing continued early intervention services to children whose developmental age is younger than their chronological age.

Specifically, your Committees have amended this measure by removing the amendment to the definition of “infants and toddlers with special needs” in section 321-351, Hawaii Revised Statutes, and by creating a new section in chapter 321, Hawaii Revised Statutes, entitled “early intervention services for children with developmental delays.” The new section directs the Department of Health to create an early intervention services program for children between the ages of three and five years with developmental delays. Your Committees amended the appropriation to be in accord with these changes.

Your Committees also have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2724, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2724, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 2229 Human Services on S.B. No. 3007

The purpose of this measure is to establish a temporary commission to be known as the Year of the Family Celebration 2008 Commission, and to make an appropriation therefor.

Your Committee received testimony in support of this measure from the Hawaii Family Forum, The Ohana Project, and Blueprint for Change.

Your Committee finds that the success of a society depends largely upon the strength and vitality of its families. In all cultures, and in all ages, a strong family unit has been the foundation of great societies. Family is especially important in Hawaii, because of the richly diverse ethnic and cultural backgrounds of its people. Therefore, a celebration to honor the importance of the family and to sustain and nurture family life is appropriate.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for clarity.

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. 3007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2230 Human Services on S.B. No. 3199

The purpose of this measure is to appropriate funds for the general assistance payments for adults who are temporarily unable to work.

Your Committee received testimony in support of the measure from the Department of Human Services and one individual.

The Benefit, Employment, and Support Services Division of the Department of Human Services provides a monthly benefit to disabled adults without minor children who are temporarily unable to work due to the disability, or pending a social security eligibility determination. Your Committee finds that, without an appropriation, the Division will have to reduce the \$418 monthly general assistance payments.

Your Committee has amended this measure to reflect the amount of the current monthly general assistance benefit.

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. 3199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3199, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2231 (Majority) Human Services on S.B. No. 3200

The purpose of this measure is to provide immunity from prosecution to a parent for leaving an unharmed newborn at a hospital, fire department, or police station within seventy-two hours of its birth, and immunity from liability to the personnel of a hospital, fire department, or police station receiving the newborn.

Most states have enacted a safe haven law to protect newborns whose parents might otherwise abandon them in unsafe or dangerous locations. A similar measure passed during the regular session of 2003 was vetoed by the governor, who expressed reservations about the measure, citing concerns that the lack of information regarding family and medical history of newborns left at safe haven locations could jeopardize the child's health and make it exceedingly difficult for the infant's extended family to learn of the baby's whereabouts.

Your Committee finds that this measure addresses the governor's concerns about the lack of medical history by requiring the parent to provide written information about known family medical history before being allowed to leave the newborn at a hospital, fire department, or police station, and requiring the personnel at these safe haven locations to inquire into this information before accepting a newborn from the parent. Your Committee further finds that certain of the factors in the definition of "unharmed condition" may be impossible for personnel at the designated safe haven locations to determine within the available time.

Accordingly, your Committee has amended this measure by deleting paragraphs (2) through (5) of the definition of "unharmed condition." Your Committee also has amended this measure to address the governor's concerns regarding a child's family, to require the hospital, fire department, or police station personnel to request the name of an infant's parents prior to accepting a newborn under the safe haven law.

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. 3200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3200, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Hooser, Ihara).

SCRep. 2232 (Joint/Majority) Human Services and Health on S.B. No. 3205

The purpose of this measure is to require medical assistance programs, including Medicaid and QUEST, to cover the cost of chiropractic services.

Your Committees received testimony in support of the measure from the Department of Human Services, the Hawaii State Chiropractic Association, and one individual.

Your Committees find that, for many people, chiropractic care can improve physical health, increase functional capacity, and prevent disabling conditions from worsening. It can also be an effective treatment for many musculoskeletal conditions for which other treatments have been unsuccessful.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 3205, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3205, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2233 Human Services on S.B. No. 3211

The purpose of this measure is to provide excise tax relief for persons who are blind, deaf, and totally disabled (taxpayers), as follows:

- (1) To provide for certification for and to define eligible persons who are blind, deaf, or totally disabled;
- (2) To exempt up to \$2,000 a year of excise tax on business activities of a trust established for the benefit of taxpayers; and
- (3) To levy a excise tax of up to one-half per cent on the income of trusts established for the sole benefit of taxpayers.

Your Committee received comments on this measure from the Department of Taxation (DOTAX) and Tax Foundation of Hawaii.

According to DOTAX, this measure would make a technical amendment to current tax law. The general excise tax currently provides tax relief for any individual who is blind, deaf, or totally disabled, and for a corporation, partnership, or limited liability company, the members of which are blind, deaf, or totally disabled. This measure includes a trust, the sole beneficiary of which is blind, deaf, or totally disabled, within this general excise tax relief.

Your Committee finds that the blind, deaf, and totally disabled deserve all available excise tax benefits in any of these forms.

Your Committee has amended this measure to add a reference to "Air Force" in the certification provision.

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. 3211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2234 (Joint/Majority) Human Services and Health on S.B. No. 3219

The purpose of this measure is to direct the Department of Health and the Department of Human Services to maintain an inventory of all facilities licensed or certified under their jurisdiction and the vacancies therein to facilitate the placement of individuals in community-based facilities.

Your Committees received testimony in support of the measure from the Department of Health, the Department of Human Services, the Department of Education, the State Council on Developmental Disabilities, the Hawaii Disability Rights Center, and the Waikiki Health Center.

Your Committees find that there is not a complete inventory of all of the community-based care facilities under the jurisdiction of the Department of Health and Department of Human Services respectively. This lack of information makes locating information about vacancies in community-based facilities a time consuming, labor-intensive process.

Your Committees have amended this measure by adding "developmental disabilities domiciliary homes" to the list of facilities to be included in the inventory maintained by the two departments.

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. 3219, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3219, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2235 Human Services on S.B. No. 3233

The purpose of this measure is to authorize the family court or the parties to change a parenting plan at any time during the minority of a child without a required showing of a material change in circumstances.

Your Committee finds that parents may agree to alter their parenting plan informally without family court intervention. This measure would allow parents to agree to amend a parenting plan without being required to demonstrate to the court that there has been a material change in circumstances.

Your Committee received testimony in support of the measure from one individual and received testimony in opposition to the measure from the Hawaii State Coalition Against Domestic Violence. Your Committee received comments on the measure from the Judiciary and the Domestic Violence Clearinghouse and Legal Hotline.

Your Committee has amended this measure by adding a provision stating that the parties may agree to any changes to a parenting plan that are consistent with or allowed by the provisions of an existing custody order without court approval, but that the court must approve any other changes to a parenting plan, and requiring the parents to file the revised parenting plan with the court.

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. 3233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3233, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2236 (Joint) Human Services and Health on S.B. No. 3252

The purpose of this measure is to direct the Executive Office on Aging to coordinate a statewide system of family caregiver support services and policies.

Your Committees find that many older residents in the State cannot live on their own without some level of assistance from family members or assistance programs such as the kupuna services program. Caregivers enable Hawaii's older adults to live independently and safely and to remain healthy for as long as possible.

Your Committees received testimony in support of the measure from the Executive Office on Aging and the Policy Advisory Board for Elder Affairs.

Your Committees have amended this measure by incorporating the provisions of S.B. No. 2130, making an appropriation for the coordination and development of family caregiver support services, and the provisions of S.B. No. 2441, making an appropriation for the kupuna care program. Your Committees also have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 3252, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3252, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2237 Human Services on S.B. No. 3254

The purpose of this measure is to extend the statutory authority for the licensing of home- and community-based case management agencies and the certification of community care foster family homes from June 30, 2006 to June 30, 2008.

Your Committee received testimony in support of the measure from the Department of Human Services, the Adult Foster Home Association of Hawaii, and the Case Management Council.

Your Committee finds that requiring the licensing of case management agencies in the long-term care industry and the certification of community care foster homes is vital to ensure that people using their services receive high quality care at a low cost. Your Committee further finds that the need for regulatory oversight will continue beyond the proposed sunset date of June 30, 2008.

Accordingly, your Committee has amended this measure by removing the sunset date in Act 273, Session Laws of Hawaii 2001.

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. 3254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3254, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2238 (Joint/Majority) Human Services and Health on S.B. No. 3271

The purpose of this measure is to create the community health center capital improvements revolving fund and to appropriate moneys for the fund.

Your Committees find that nonprofit, federally qualified health centers in Hawaii served around seventy-five thousand low income individuals in 2005. These health centers provide critically needed primary and preventive care, regardless of a patient's ability to pay. This policy limits community health centers' ability to borrow capital funds and to pay for debt service. Your Committees further find that providing a revolving fund to assist in meeting the capital needs of community health centers promotes the safety, health, and welfare of Hawaii's people.

Your Committees received testimony in support of the measure from the Hawaii Primary Care Association, Kalihi-Palama Health Center, the Waianae Coast Comprehensive Health Center, the Waikiki Health Center, and one individual.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

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. 3271, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3271, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2239 (Joint) Health and Labor on S.B. No. 3283

The purpose of this measure is to establish a comprehensive health care workforce map and database to compile and analyze data on the supply, demand, and distribution of all health care workers by specialty and practice.

Your Committees received testimony in support of this measure from the Hawaii Medical Association and Hawaii Medical Service Association.

Your Committees find that accurate, reliable, and comprehensive data is a necessary ingredient of any effective effort to plan for Hawaii's growing health care needs.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3283 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Hanabusa, Ihara).

SCRep. 2240 Education and Military Affairs on S.B. No. 2071

The purpose of this measure is to provide funding for pay increases for assistant athletic directors and coaches.

Testimony in support of this measure was submitted by the Department of Education and Athletic Directors and Coaches Association of Hawaii.

Your Committee finds that funds were appropriated by Act 315, Session Laws of Hawaii 2001, to increase the base stipend paid to coaches of students participating in Department of Education athletic activities for fiscal years 2001-2002 and 2002-2003. Your Committee further finds that funds were not appropriated to fund further increases in stipends for fiscal years 2003-2004 and 2004-2005 as required by Act 315. In addition, your Committee finds that pay increases for assistant athletic directors and coaches, based on the current teachers' collective bargaining agreement, were not funded for fiscal years 2005-2006 and 2006-2007. Your Committee finds that these pay increases should be funded.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2071 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2241 Education and Military Affairs on S.B. No. 2718

The purpose of this measure is to set forth a financial limit on the total maximum contribution per pupil that a nonprofit organization may be required to contribute in advance, should one decide to undertake the creation of a new century conversion charter school.

Your Committee received testimony in support of this measure from Waimea Middle School, the Office of Hawaiian Affairs, and one individual. Comments in support of the intent of this measure were received from the Charter School Administrative Office and Ho'okako'o Corporation. Comments in opposition to this measure were received from the Hawaii State Teachers Association.

Your Committee finds that setting per-pupil funding limits for nonprofit organizations that are considering supporting a new century charter school will act as an incentive to engage in public-private educational initiatives.

Your Committee has amended this measure by including amendments suggested by Ho'okako'o Corporation for nonprofit organization funding limits, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2718, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2242 Education and Military Affairs on S.B. No. 2837

The purpose of this measure is to provide funds to each school for equipment, services, and supplies, and to reimburse teachers who spend personal funds to purchase classroom supplies.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments in support of the intent of this measure were received from the Department of Education.

Your Committee finds that the appropriation for school equipment, services, and supplies should be subject to the weighted student formula so that school principals will preserve full discretionary decision-making authority over the spending of these funds.

Your Committee has amended this measure to reflect the above finding, to amend the \$200 reimbursement to make it one reimbursement per classroom rather than one per teacher, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

SCRep. 2243 Education and Military Affairs on S.B. No. 3053

The purpose of this measure is to establish a non-school hours activities program coordinator within the Department of Education, and to establish a task force to review the State's non-school activities and programs currently being offered and make recommendations for improvements to those offerings.

Your Committee received testimony in support of the intent of this measure from the Department of Education, and the Department of Human Services' Office of Youth Services. Comments in opposition to this measure were received from the Hawaii State Teachers Association.

Your Committee finds that as part of the task force's mandate, it should consider the expansion of student intramural and interscholastic activities, and that non-school programs should include cultural and career-exploration activities.

Your Committee has amended this measure to broaden the description of non-school programs and activities to be provided by the department, and by making technical, nonsubstantive amendments.

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

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2244 Judiciary and Hawaiian Affairs on S.B. No. 2255

The purpose of this measure is to add crimes, which include deception as an element, to those crimes for which the date of discovery is used to calculate the time limitations within which the crime must be charged.

Testimony in support of this measure was submitted by the Attorney General and the Honolulu Police Department.

Your Committee finds that a definition of "deception" is necessary for this measure.

Your Committee has amended this measure to insert a reference to the definition of "deception" in section 708-800, Hawaii Revised Statutes, and make technical changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2255, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2245 Judiciary and Hawaiian Affairs on S.B. No. 2591

The purpose of this measure is to eliminate the requirement for a motion for reconsideration in the appellate process for child protective cases.

The Judiciary, Department of Human Services, and the Attorney General all testified in support of this measure.

Under the current law, a party must first file a motion for reconsideration with the family court judge who issues a child protective order before the party may appeal the order. This requirement means that the party must file the motion for reconsideration, give notice of the motion to the other parties, have a hearing, and obtain a decision from the same judge who issued the order. Often, parties may miss the deadline for filing the motion for reconsideration and are thereafter estopped from challenging the order on appeal.

Your Committee finds that this requirement builds unnecessary delay into the appellate review system. To speed the resolution of child protective services cases, this measure will remove the motion for reconsideration as a prerequisite to the appellate process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2246 Judiciary and Hawaiian Affairs on S.B. No. 2596

The purpose of this measure is to replace statutory references to "intermediate appellate court" with references to "court of appeals," contingent upon ratification of a related constitutional amendment.

Testimony in support of the measure was submitted by the Judiciary.

This measure was recommended by the Hawaii Appellate Review Task Force and would implement S.B. No. 2610, which proposes a constitutional amendment to change the name of the Intermediate Appellate Court to the Court of Appeals. This measure shall become effective only if the proposed constitutional amendment is ratified.

Your Committee finds that this measure is appropriate implementation language for the proposed amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2596 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2247 Judiciary and Hawaiian Affairs on S.B. No. 2597

The purpose of this measure is to clarify the intermediate appellate court's jurisdiction over appeals from any court or agency and to authorize the intermediate appellate court to issue any necessary or appropriate order or writ.

Testimony in support of the measure was submitted by the Judiciary.

This measure was part of the Judiciary's legislative package and amends section 602-57, Hawaii Revised Statutes, to clarify that the intermediate appellate court is authorized to hear appeals from any court or agency when the appeal is allowed by law, and to provide that the intermediate appellate court has jurisdiction to make or issue any order or writ necessary or appropriate in aid of the court's jurisdiction. This measure will clarify the intent of section 57 of Act 202, Session Laws of Hawaii, 2004.

Your Committee finds that this measure is appropriate in light of the pending change to the appellate courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2597 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2248 Judiciary and Hawaiian Affairs on S.B. No. 2599

The purpose of this measure is to establish the intermediate appellate court's jurisdiction in appellate cases related to geothermal resource subzone designations, income taxes, access to correctional facilities and records, and barbering and cosmetology licensures, while clarifying the requirement for payment of appellate filing fees.

Testimony in support of this measure was submitted by the Judiciary. The Department of Taxation took no position on this measure.

This housekeeping measure was part of the Judiciary's 2006 legislative package and reconciles amendments made to section 607-7, Hawaii Revised Statutes, by section 65 of Act 202, Session Laws of Hawaii, 2004 ("Act 202"), with amendments made to section 607-7, Hawaii Revised Statutes, by Act 3, Session Laws of Hawaii, 2004. This measure also reconciles amendments made to section 235-114, Hawaii Revised Statutes, by section 25 of Act 202, with amendments made to section 235-114 by Act 123, Session Laws of Hawaii, 2004.

In addition to reconciling changes made in the 2004 legislative session, the measure amends sections 205-5.1, 353-11 and 438-6, Hawaii Revised Statutes, to require that the intermediate appellate court have initial jurisdiction over appeals in accordance with the intent and purpose of Act 202.

Your Committee finds that this housekeeping measure will make the court's jurisdiction conform with Act 202.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2249 Judiciary and Hawaiian Affairs on S.B. No. 2601

The purpose of this measure is to require that certain documents be sealed upon filing in any action or proceeding in the circuit court having jurisdiction over matters relating to the affairs of decedents.

Your Committee received testimony in support of the measure from the Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii.

This measure is intended to restrict public access to certain sensitive information about respondents in guardianship and conservatorship proceedings. This measure seeks to protect against the growing problem of identity theft by sealing the following documents that contain sensitive information:

- (1) Birth certificate;
- (2) Marriage certificate;
- (3) Death certificate;
- (4) Tax return;
- (5) Kokua kanawai's report;
- (6) Court-ordered professional evaluation; and
- (7) Responses and objections to kokua kanawai's report or a professional evaluation.

Your Committee finds that these restrictions are necessary for the protection of the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2250 Judiciary and Hawaiian Affairs on S.B. No. 2602

The purpose of this measure is to add persons and entities to the list of those who are allowed access to adult probation records.

The Judiciary, The City and County of Honolulu Prosecutor's Office, the Domestic Violence Clearinghouse and Legal Hotline, the Salvation Army Addiction Treatment Services, and Hina Mauka submitted testimony in support of this measure. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that there are concerns regarding a defendant's privacy and the ability of case management, assessment, or treatment providers to use information in a defendant's adult probation records to selectively grant certain defendants access to a treatment program.

Your Committee amended this measure to incorporate the changes that were agreed upon by the Judiciary and the Office of the Public Defender. Those changes were to:

- (1) Allow state or federal court programs access to a copy of any adult probation case record; and
- (2) Provide that any person, agency, or entity receiving records or contents of records shall be subject to the same restrictions on disclosure as Hawaii adult probation offices.

Your Committee also amended this measure to balance privacy and other issues raised by the Office of Public Defender, by:

- (1) Allowing a victim to access the name and contact information of the defendant's probation officer but not allow the defendant's contact information to be made accessible;
- (2) Providing that records and information relating to the defendant's risk assessment and need for treatment services or information relating to the defendant's past treatment and assessments may be provided to a case management, assessment, or treatment provider only upon the acceptance or admittance of the defendant into a treatment program; and
- (3) Assess a fine of no more than \$500 if any person uses the information covered by this measure for purposes inconsistent with the intent of the measure or in a manner that is outside the scope of the person's official duties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2602, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 2251 Judiciary and Hawaiian Affairs on S.B. No. 2604

The purpose of this measure is to remove the chief judge's discretion in assignment of judges to the intermediate appellate court's three-judge panel.

The Appellate Review Task Force and the Judiciary submitted testimony in support of the measure.

The Hawaii Appellate Review Task Force recommended this measure. Currently, section 602-55, Hawaii Revised Statutes, gives the chief judge of the intermediate appellate court the discretion to assign the judges who serve on the intermediate appellate court's three-judge panel. This measure would allow for the random selection of judges for a panel in order to ensure fairness in the decision-making process.

Your Committee finds that this measure is appropriate and will maintain public confidence in the appellate process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2604 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2252 Judiciary and Hawaiian Affairs on S.B. No. 2607

The purpose of this measure is to authorize the Supreme Court to entertain applications to transfer any case within the jurisdiction of the Intermediate Appellate Court to the Supreme Court and to specify the grounds for transfer.

Testimony in support of this measure was submitted by the Judiciary. The Office of the Public Defender submitted testimony in support of the measure with amendments. The Hawaii Appellate Review Task Force submitted comments on the measure. The Attorney General submitted testimony in opposition to the measure.

Under the current law, and the new law effective July 1, 2006, the Hawaii Supreme Court will hear appeals only on a discretionary writ of certiorari to the Intermediate Court of Appeals. Therefore, all appeals will be decided by the Intermediate Court of Appeals before the Supreme Court may hear a case upon the filing of an appeal.

Your Committee finds that there are certain types of cases that should have direct appeals to the Supreme Court. Since Hawaii has no death penalty, the highest sentence a criminal defendant may receive is imprisonment for life. Many states provide that defendants subject to the most serious criminal penalty have a right of direct appeal to the state's supreme court. Direct appeal in cases in which the sentence is life imprisonment without parole is the Hawaii equivalent. Without a direct appeal provision for these cases, some defendants subject to this sentence will be denied review by the State's highest court.

In addition, direct appeal is warranted when a trial court or administrative agency declares a state statute, constitutional amendment, or administrative rule invalid or unconstitutional. In almost all instances, these cases will involve important and pressing issues of public importance. Uncertainty about the constitutionality or enforceability of a state statute, constitutional amendment, or administrative rule militates strongly in favor of having the State's highest court resolve such issues directly and immediately.

Based on the above, your Committee has amended this measure to require the Supreme Court to grant an application to transfer an appeal when the appeal involves:

- (1) A question of imperative or fundamental public importance;
- (2) An appeal from a decision of any court or agency when appeals are allowed by law:
 - (A) Invalidating an amendment to the state constitution; or
 - (B) Determining a state statute, county ordinance, or agency rule to be invalid on the grounds that it was invalidly enacted or is unconstitutional, on its face or as applied, under either the constitution of the State or the United States; or
- (3) A sentence of life imprisonment without the possibility of parole.

The measure, as amended, allows the Supreme Court discretion in determining whether to grant an application for transfer for appeals that involve questions of first impression and issues upon which there is an inconsistency in the decisions of the Intermediate Appellate Court or the Supreme Court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2253 Judiciary and Hawaiian Affairs on S.B. No. 2608

The purpose of this measure is to clarify that the provisions of Act 161, Session Laws of Hawaii, 2004, relating to guardianship and protective proceedings, do not affect actions brought or rights accrued prior to January 1, 2005.

Testimony in support of the measure was provided by the Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii.

Your Committee on Judiciary and Hawaiian Affairs finds that the language in this measure is already in section 38 of Act 161, Session Laws of Hawaii, 2004, but that this language is not currently in chapter 560, Hawaii Revised Statutes. Adding this language to chapter 560 may help practitioners and pro se litigants understand that the statutory changes made to chapter 560 by Act 161, Session Laws of Hawaii, 2004, do not apply to actions or proceedings commenced prior to January 1, 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2608 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2254 Judiciary and Hawaiian Affairs on S.B. No. 2609

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

Your Committee received testimony in support of this measure from the Judiciary and the Attorney General. The Office of the Public Defender provided testimony in support of the measure with amendments. The Hawaii Appellate Review Task Force submitted comments on the measure.

This measure is based upon a recommendation by the Hawaii Appellate Review Task Force to the Judiciary. The bill clarifies that an application for a writ of certiorari may be filed after entry of the Intermediate Appellate Court's judgment or order of dismissal. The bill also retains the traditional grounds for an application for a writ of certiorari.

Your Committee determined that an extension of the period of time for which an appellant may file a writ of certiorari would provide the court with additional time to handle a possible increase in the number and complexity of writs that are filed. Under Rule 13.1 of the Rules of the Supreme Court of the United States, an appellant has ninety days after the entry of the judgment to file a writ of certiorari.

Based on the above, your Committee has amended this measure to extend the period of time during which an appellant may file a writ of certiorari from thirty days to ninety days.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2609, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2255 Judiciary and Hawaiian Affairs on S.B. No. 2610

The purpose of this measure is to propose a constitutional amendment to change the name of the Intermediate Court of Appeals to the Court of Appeals.

Testimony in support of this measure was submitted by the Judiciary and the Hawaii Appellate Review Task Force.

This measure was recommended by the Hawaii Appellate Review Task Force and is part of the Judiciary's 2006 legislative package. This measure proposes a constitutional amendment to change the name of the Intermediate Court of Appeals to the Court of Appeals. Your committee notes that the mid-level appellate courts in other jurisdictions, including the courts of the United States, are most often named Court of Appeals.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2610, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2256 Judiciary and Hawaiian Affairs on S.B. No. 2611

The purpose of this measure is to expand the scope of vexatious litigants law to prohibit and sanction the vexatious conduct of all parties.

Your Committee received testimony in support of this measure from the Judiciary. Testimony in opposition to this measure was submitted by the Children's Rights Council of Hawaii.

Your Committee finds that this measure, initiated by the Judiciary, gives equal footing to both plaintiffs and defendants by prohibiting and sanctioning the vexatious conduct of all parties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2611 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2257 (Joint) Education and Military Affairs and Water, Land, and Agriculture on S.B. No. 3054

The purpose of this measure is to establish a revolving loan fund to finance charter school capital improvements, to provide a tax incentive to landlords renting or leasing land to a charter school, to encourage the State to enter into long-term leases of lands and buildings for charter school facilities, and to provide charter schools reimbursement for rent, lease, or mortgage payments.

Your Committees received testimony in support of this measure from Innovations Public Charter School, Voyager Public Charter School, and Waiālae Elementary Public Charter School. Comments in opposition to this measure were received from the Hawaii State Teachers Association. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that using tax incentives to encourage public-private initiatives to help fund charter schools capital improvements would be a step in the right direction, and that more needs to be done to aid charter schools secure facility locations.

Your Committees have amended this measure by deleting the provisions regarding the landlord tax incentive and the charter schools reimbursement, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3054, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3054, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees

Ayes, 8. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 2258 Media, Arts, Science and Technology on S.B. No. 333

The purpose of this measure is to appropriate funds to the information processing services program to implement an interim alternate data center that will recover and restore information processing and telecommunication service in the event services are disrupted by a natural disaster or malicious activity, and a business plan for its implementation.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Human Services, Attorney General, Department of Transportation, High Technology Development Corporation, and High Technology Innovation Corporation.

Your Committee finds that in recent years, major natural disasters have focused attention on the need for disaster recovery planning to minimize the disruption of public services. An interim alternate data center would allow state and county agencies to continue to provide critical government services to the public in the event of a major disaster.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2259 Media, Arts, Science and Technology on S.B. No. 2670

The purpose of this measure is to prohibit the knowing violation of the conditions set forth in an approved mitigation plan for historic properties that includes monitoring and preservation plans.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), Office of Hawaiian Affairs, Malama Kukuio Kane, Hawaiian Island Productions, and two individuals.

Your Committee finds that private landowners often agree to plans to preserve significant cultural and historic sites as recommended by the DLNR's Historic Preservation Division, as a means of obtaining the required building permits from the county. Once a preservation or mitigation plan is accepted and approved by the permitting agency, and subdivisions are developed, there is little incentive to follow through with agreements on the plans. This measure provides the DLNR with a modicum of enforcement power to address a serious cultural threat.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2670 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2260 (Joint) Transportation and Government Operations and Human Services on S.B. No. 2625

The purpose of this measure is to establish a procurement code preference for purchases of goods and services from offerors who employ persons with disabilities.

Your Committees received testimony in support of this measure from the State Procurement Office and Hawaii Disability Rights Center. Comments were received from the Department of Accounting and General Services. Testimony in opposition was received from the American Council of Engineering Companies.

Your Committees find that this measure would increase the employment rate among individuals with disabilities and enable them to become truly integrated into society. The unemployment rate among such individuals is extremely high.

Your Committees have amended this measure by making an amendment to an existing statute rather than enacting a new statute.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2625, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2625, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Baker, Ihara, Kanno, Kokubun, Menor).

SCRep. 2261 (Joint) Health and Human Services on S.B. No. 2682

The purpose of this measure is to require the Department of Health to provide vaccines, education, and treatment to the homeless for hepatitis, tuberculosis, and other infectious diseases.

Your Committees received testimony in support of this measure from the Hawaii Disability Rights Center; The Center; Hepatitis Prevention, Education, Treatment and Support Network of Hawaii; Hepatitis Foundation International; Evaluation Focused Consulting; Hale Kipa; Kaiser Permanente; Department of Infectious Diseases; Life Foundation; and twenty individuals. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that the homeless are often in danger of exposure to infectious diseases and need to have access to vaccines. Hepatitis is one of the most vaccine-preventable diseases. Your Committees further find that one large hepatitis outbreak will more than justify the cost of the vaccine. The appropriation provided in this measure will vaccinate approximately five hundred individuals. It is further anticipated that existing outreach workers and community clinics will be utilized to identify those most at risk and administer the vaccine.

Your Committees adopted the recommendations of the Hepatitis Prevention, Education, Treatment and Support Network of Hawaii and amended this measure by narrowing the scope from requiring the Department of Health to provide vaccinations for all infectious diseases to making an appropriation to the Department of Health to provide hepatitis A and B vaccines to those at risk among the homeless population.

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. 2682, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2682, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Tsutsui, Trimble, Whalen).

SCRep. 2262 (Joint) Health and Human Services on S.B. No. 2506

The purpose of this measure is to abolish the reproductive rights protection committee and provide for a list of advisors to assist the family court as needed on sterilization issues.

Your Committees received testimony in support of this measure from the Judiciary, the State Council on Developmental Disabilities, Planned Parenthood of Hawaii, and the Disability and Communication Access Board.

Your Committees find that it is appropriate to abolish the reproductive rights committee that was established in 1986 because it no longer serves its purpose. Your Committee understands that in the past eight years only one case was reviewed and the committee has no staff or budget.

Your Committees further find that protection of developmentally disabled individuals would not be affected by eliminating the committee. The underlying protections remain in the statutes. By maintaining a resource list of advisors to assist the family court as needed, the original intent of the Reproductive Rights Protection Committee is preserved in a more appropriate manner.

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. 2506 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2263 Health on S.B. No. 2373

The purpose of this measure is to make conforming amendments to a provision of the Uniform Controlled Substances Act (UCSA) to make it consistent with Act 193, Session Laws of Hawaii 2005.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Attorney General.

Act 193 added three new sections to the UCSA, which placed additional restrictions on the sale of over-the-counter pseudoephedrine products. The proposed statutory amendments clarify that the "sale, transfer, furnishing, or receipt" of pseudoephedrine or norpseudoephedrine fall under the purview of Act 193.

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. 2373 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2264 Health on S.B. No. 2465

The purpose of this measure is to make an appropriation grant to Queen's Medical Center to increase its emergency power generator system to ensure that it has the maximum capacity of 6,000 kilowatts necessary to function in a disaster.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, State Civil Defense, Oahu Civil Defense, the Queen's Medical Center. Comments were received from Hawaii Pacific Health.

Your Committee finds that The Queen's Medical Center is the only medical facility in this State with a trauma center that is certified by the American College of Surgeons. While most hospitals are equipped with emergency facilities to deal with patients needing immediate care, a trauma center is specially equipped for dealing with serious and life-threatening injuries. A critical component of a properly equipped trauma center is an operating room served by various medical specialists, diagnostic equipment, and other life-support systems. It is vital to have sufficient emergency energy capacity in order to support the operation of a trauma center during a disaster.

The Queen's Medical Center currently has two emergency generators with a total installed capacity of two thousand kilowatts. It is estimated that peak demand during a disaster would be six thousand kilowatts. Part of this estimated demand is to operate water pumps that draw water from the hospital's private wells if the public supply becomes unavailable. This necessary additional energy capacity will require three additional operating generators and one standby generator. A new storage structure for the generators, one that is capable of withstanding the wind force of a category five hurricane, is also needed.

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. 2465 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2265 Health on S.B. No. 2370

The purpose of this measure is to update the Uniform Controlled Substances Act (UCSA) to conform it to amendments to the federal Controlled Substances Act.

Your Committee received testimony in support of this measure from the Department of Public Safety and State Attorney General.

This is a housekeeping measure. Your Committee finds that periodically the UCSA must be amended in order to conform to the federal Controlled Substances Act. This measure adds the depressant drug Zopiclone "Lunesta" to the list of schedule IV depressants.

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. 2370 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2266 Health on S.B. No. 2232

The purpose of this measure is to ensure that properties that are contaminated through illegal drug manufacturing are cleaned up in a prompt and efficient manner so they may be safely occupied again.

Your Committee received testimony in support of this measure from the Department of Health, the Department of the Attorney General, the Department of Public Safety, the City and County of Honolulu Police Department, and The American Industrial Hygiene Association, Hawaii Section.

Your Committee finds that illegal drug manufacturing sites are hazardous to public health. The toxic chemicals and residue that are left behind are very hazardous and may pose health risks for weeks and even months. Thirteen other states have adopted formal clean-up requirements or guidelines. Your Committee further finds that this decontamination process must be performed by qualified contractors and monitored by professionals trained in decontamination.

Your Committee amended this measure to adopt the recommendations from the Department of Health that, within ninety days of enactment of this measure, the department should adopt interim procedures and guidance to address the environmental emergency and long-term decontamination and clean-up, and that the department should evaluate the requirements for establishing a statewide program to clean up properties that were used for illegal drug manufacturing.

Your Committee additionally amended this measure to provide that owners of known properties involved in the unauthorized manufacturing or storage of illegal drugs and their precursor hazardous materials shall be subject to these interim procedures until the department can develop a comprehensive and permanent program dealing with the decontamination and remediation of illegal drug manufacturing sites.

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. 2232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2232, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2267 (Joint) Health and Education and Military Affairs on S.B. No. 2505

The purpose of this measure is to appropriate funds to extend adolescent school-based substance abuse treatment programs in middle and intermediate schools.

Your Committees received testimony in support of this measure from the Department of Education, Department of Health, Hina Mauka, Hawaii Substance Abuse Coalition, Hawaii Youth Services Network, the Drug Policy Action Group, and one individual.

Your Committees find that students who are dependent on drugs may not achieve their highest potential and are at great risk of academic failure and dropping out of school. Your Committees further find that a balanced system of prevention, intervention, and treatment available to students will serve to strengthen student-teacher-counselor relationships and help students achieve success.

Your Committees amended this measure to include the appropriation amount of \$1,817,500 to be expended by the Department of Health.

As affirmed by the records of votes of the members of your Committees on Health and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2505, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2505, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2268 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 3188

The purpose of this measure is to:

- (1) Provide a tax credit for an investment in the development of qualified fuel handling infrastructure facilities in any county except the City and County of Honolulu, if the investment is made in the twelve year period from January 1, 2007, through December 31, 2018; and
- (2) Provide each qualified fuel handling infrastructure facility a temporary waiver of all state wharfage rates and charges for petroleum fuels passing through pipelines, tanks, loading, unloading, or dispensing facilities, not to exceed thirty-six months from the start of actual fuel handling operations.

Your Committees received testimony from the Department of Business, Economic Development, and Tourism, Mid Pac Petroleum, and Aloha Petroleum, Ltd. in support of the intent of this measure. The Department of Transportation submitted testimony in support of the measure but, however, could not support the waiver of wharfage fees for qualified fuel handling infrastructure facilities. The Department of Taxation, the Tax Foundation of Hawaii, and one individual provided comments. One individual submitted testimony in opposition to this measure.

Your Committees amended this measure by making technical nonsubstantive changes for style, consistency, and clarity.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3188, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3188, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 2269 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 3179

The purpose of this measure is to regulate the sale, distribution, and use of fertilizers, soil amendments, and liming materials in the State.

The Conservation Council for Hawaii and the Sierra Club submitted testimony in support of this measure. The Department of Health and the Hawaiian Alliance for Responsible Technologies & Science submitted testimony in opposition to this measure. The Hawaii Farm Bureau submitted comments.

According to the Department of Health, current administrative rules require a fertilizer manufacturer to notify the Department of Health if hazardous waste is a component of their product. Further, if a fertilizer fails to meet the standards for placement on land, the manufacturer becomes subject to hazardous waste regulations, including manifests and a ninety-day limit on storage.

Your Committee finds that there is a concern regarding the impact of waste-derived fertilizers, especially a consumer or end user's possible exposure to hazardous substances. Consumers should be informed of the presence of waste-derived fertilizers and a fertilizer's label should disclose whether the fertilizer is made from recycled hazardous waste.

Upon further consideration, your Committee amended this measure by:

- (1) Requiring the Department of Health to develop and implement a labeling program that:
 - (A) Establishes more stringent standards than the current United States Environmental Protection Agency and Association of American Plant Food Control Official Standards;
 - (B) Limits imports of fertilizers to fertilizers that meet the more stringent standards; and
 - (C) Informs a consumer of the presence of any hazardous or waste-derived substance in a fertilizer;
- (2) Deleting all unrelated provisions; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3179, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3179, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 2270 (Joint) Labor and Judiciary and Hawaiian Affairs on S.B. No. 301

The purpose of this measure is to appropriate funds to the Hawaii Civil Rights Commission for investigator, attorney-mediation coordinator, and legal assistant positions for fiscal year 2006-2007.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission (HCRC), the Hawaii State AFL-CIO, and three individuals.

Your Committees find that the HCRC, pursuant to chapter 368, Hawaii Revised Statutes (HRS), has enforcement jurisdiction over complaints of discrimination brought under part I of chapter 378, HRS, chapters 489 and 515, HRS, and section 368-1.5, HRS. At its inception, the HCRC inherited approximately two hundred and sixty open cases from the Department of Labor and Industrial Relations and over the past several years has averaged approximately four hundred and fifty new complaints filed each year. Your Committees further find that the HCRC is divided into two separate sections, an enforcement section and an adjudication section, and the enforcement and adjudication of the complaints filed requires the utilization of all available staff time and resources.

Currently, the HCRC has twenty-seven budgeted positions, with nine positions funded either in whole or in part by federal funds. The number of budgeted positions has not increased since the HCRC was established, although its caseload has increased. Efforts to address concerns over the caseload and to improve the timeliness of investigations have been hindered by a lack of needed additional investigators, the termination of student employment, and a lack of staffing support for HCRC attorneys and its voluntary mediation program. Your Committees determine that the HCRC has demonstrated a commitment to improving the efficacy and efficiency of its operations, and the establishment of new positions is necessary in enabling the HCRC to fulfill its role in safeguarding the civil rights of our citizens.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 301, S.D. 1, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Ihara).

SCRep. 2271 Labor on S.B. No. 2194

The purpose of this measure is to require background checks on applicants for employment as security guards, resident managers, or positions that have or are provided access to keys for entry into units or to funds of a condominium association.

This measure also requires the board of the condominium association to verify the criminal history disclosure made by an applicant for the foregoing positions and specifies that personal information obtained from the applicant will only be used for purposes of conducting the background check.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners and one individual.

Your Committee finds that a condominium development provides its owners and residents with a multitude of benefits through the combined resources and united efforts of the condominium association and its members. The nature of a condominium development can result in both added and diminished security to its owners and residents. Owners and residents are vulnerable to the hiring of individuals with questionable histories who may obtain access to their units and common areas. Although the law currently provides a condominium association the authority to conduct background checks on key individuals seeking employment with the association, the safety and security of owners and residents within a condominium development necessitates the establishment of stronger protective measures. Therefore, your Committee determines that a condominium association should be required to conduct background checks on applicants for employment with a condominium association as resident managers, security guards, and in positions that have or are provided access to condominium units or association funds.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2194 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2272 (Majority) Labor on S.B. No. 2616

The purpose of this measure is to require an employer to provide meal or rest breaks of at least thirty consecutive minutes to an employee who works five or more continuous hours, except in certain circumstances.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the ILWU Local 142, and the Hawaii State Teachers Association. Testimony in opposition of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Business League, and the Society for Human Resource Management – Hawaii Chapter. Comments on this measure were also submitted by the Retail Merchants of Hawaii.

Your Committee finds that, pursuant to Act 172, Session Laws of Hawaii 1999, the legislature prohibited an employer from interfering with an employee's right to express breastmilk during a meal period or other break required by law. However, currently no federal or state wage and hour laws require an employer to provide an employee over the age of sixteen a meal period. Therefore, although it is common business practice for employers to provide their employees with meal breaks, employees in Hawaii have no statutory right to meal breaks.

Your Committee determines that employees who work more than five consecutive hours should be provided a meal break of at least thirty minutes, which will protect the health and safety of employees, promote work efficiency and productivity, and permit employees to express breastmilk during any meal break. However, your Committee also determines that in the interest of providing for continued service and operations throughout the work day and ensuring the welfare of businesses, the law should not be applicable to:

- (1) Employers subject to a collective bargaining agreement that already addresses the issue of meal breaks;
- (2) A common carrier as defined in chapter 271, Hawaii Revised Statutes;
- (3) A power-generating utility; or

- (4) The operator of a continuously operating facility that is regulated by environmental permit.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2616 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2273 (Majority) Labor on S.B. No. 2640

The purpose of this measure is to clarify that a voluntary employees' beneficiary association trust may be established by an employee organization for all state and county employees represented by that employee organization.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State Teachers Association; and the United Public Workers, AFSCME Local 646, AFL-CIO. Comments on the measure were also submitted by the Department of the Attorney General.

Your Committee finds that Act 245, Session Laws of Hawaii 2005, authorized the establishment of voluntary employees' beneficiary association (VEBA) trusts by an employee organization for state and county employees of a particular bargaining unit. Your Committee further finds that clarification in the law is necessary to ensure that the intent of the law that one or more bargaining units may benefit from the establishment of VEBA trusts is patent. It was not the Legislature's intent that the authorization to establish VEBA trusts only be provided to a single employee organization or a single bargaining unit, regardless of the establishment of VEBA trusts as only a three-year pilot program. Your Committee believes that this measure will further clarify that VEBA trusts may be established by any employee organization for multiple bargaining units that may also benefit from their combined numbers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2274 Labor on S.B. No. 2642

The purpose of this measure is to allow the Department of Human Resources Development (DHRD) to delegate to the appointing authority the appointment of non-residents and non-citizens when necessary to provide services essential to the public interest.

Testimony in support of this measure was submitted by DHRD and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Education (DOE). Comments on this measure were submitted by the Department of the Attorney General.

Your Committee finds that, under the current law, the appointing authorities are able to approve the appointment of non-residents and non-citizens when services essential to the public interest require highly specialized, technical, and scientific skills or knowledge in critical-to-fill and labor shortage positions. Your Committees further find that it is prudent to restore the appointment authority, or the delegation of this authority, to the head of personnel for the hiring jurisdiction in order to establish and promote consistency in the State's hiring practices. This change will also help to ensure that the authority is properly utilized to safeguard against the unwarranted and unjustifiable hiring of non-residents, including hiring based on the practice of cronyism.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing a director, as defined in section 76-11, Hawaii Revised Statutes (HRS), rather than DHRD, the authority over appointments under section 78-1(d), HRS, to account for the separate authority of the DOE established under Act 51, Session Laws of Hawaii 2004;
- (2) Clarifying that the director, as defined in section 76-11, HRS, can appoint or delegate to the appointing authority the authority to appoint non-residents and non-citizens, under section 78-1(d), HRS; and
- (3) Changing the effective date of the Act to July 1, 2006, to ensure that the DOE's authority as a separate jurisdiction, as established under Act 51, SLH 2004, is unfettered.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2642, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2275 (Majority) Labor on S.B. No. 3009

The purpose of this measure is to change the status of positions that are statutorily exempt from civil service to civil service positions in order to conform to the intent of Act 253, Session Laws of Hawaii 2000.

This measure affects civil service exempt positions within the following departments, programs, or agencies:

- (1) Historic preservation program;
- (2) Department of Commerce and Consumer Affairs (DCCA), Compliance Resolution Fund;
- (3) Department of the Attorney General;
- (4) Hawaii Employer-Union Health Benefits Trust Fund (EUTF);
- (5) Department of Health;
- (6) Department of Land and Natural Resources, Special Land and Development Fund;
- (7) Commission on Water Resource Management;
- (8) Workforce Development Council;
- (9) Hawaii Community Development Authority;
- (10) Public Utilities Commission;
- (11) Waterwaste Treatment;
- (12) Office of Solid Waste Management;
- (13) Medicaid Home and Community-based Waiver Programs;
- (14) Disability and Communication Access Board;
- (15) Office of Community Services;
- (16) Hawaii Career Information Delivery System;
- (17) Division of Financial Institutions;
- (18) Insurance Division of DCCA; and
- (19) Office of the Public Defender.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and two individuals. Testimony in opposition to this measure was submitted by DCCA, the Housing and Community Development Corporation of Hawaii, the Public Utilities Commission, and the Office of the Public Defender. Comments on the measure were also submitted by the Department of Human Services, the Department of Human Resources Development (DHRD), the Department of the Attorney General, and the EUTF.

Your Committee finds that, pursuant Act 253, SLH 2000, the Legislature sought to reduce the number of civil service exempt employees in public service within the State. Your Committee further finds that DHRD was tasked with annually reporting to the Legislature on the number of civil service exempt employees and recommendations on the necessity of changing the status of their positions. DHRD reports have indicated that despite the edict of the Legislature, the conversion of civil service exempt positions since Act 253 was enacted have been few and are long overdue. The conversion of civil service exempt positions to civil service positions is necessary to support a system of fairness within the government. Many civil service exempt employees perform the same duties and functions as civil service employees and have devoted their entire careers to public service, yet they lack the same types of benefits and protections afforded their civil service counterparts. Your Committee believes that this measure will demonstrate the Legislature's continued efforts in promoting and preserving the intents and purposes of the civil service system.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 7 to allow the EUTF to hire civil service exempt employees for the following positions: an assistant administrator, financial management officer, information systems analyst, health program benefits manager, any other equal or higher level managers, and an administrative secretary;
- (2) Amending section 28 to extend rather than eliminate the sunset date of Act 128, SLH 2004, to July 1, 2007, which allows civil service exempt employees with six consecutive years of service to apply for intra- and inter-departmental transfers or promotions; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2276 (Majority) Labor on S.B. No. 3035

The purpose of this measure is to prevent an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's temporary total disability benefits until a decision is rendered by the director of labor and industrial relations.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State AFL-CIO; the IBEW Local 1537; the IBEW Local 1260; the IBEW Local 1186; the ILWU Local 142; the Hawaii State Teachers Association; the Hawaii Chapter – American Physical Therapy Association; the Hawaii Injured Workers Alliance; and eight individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, the Hawaii Insurers Council, the Hawaii Independent Insurance Agents Association, and the Society for Human Resources Management – Hawaii Chapter. Comments on this measure were also submitted by the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that, under the current law, an employer may unilaterally terminate an injured employee's temporary total disability (TTD) benefits upon the belief that the injured employee is able to return to work. This termination of benefits can occur irrespective of whether the injured employee has actually resumed work. Once benefits are terminated, the injured employee must make a written request to the director of labor and industrial relations if the termination is contested. Currently, an injured employee who has disputed the termination of TTD benefits must wait three to nine months for a hearing and resolution on the matter. Your Committee further finds that the workers' compensation system balances the interests of employers and employees by guaranteeing that workers injured on the job receive medical treatment and replacement of lost wages, while employees relinquish their right to sue under most circumstances. Therefore, medical treatment and payment of TTD benefits should not be capriciously terminated. Your Committee believes that the termination of TTD benefits under the current law creates an undue hardship on the injured employee when the injured employee is not working and likely has no other means of income.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3035 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2277 Labor on S.B. No. 2206

The purpose of this measure is to provide for automatic post retirement allowance increases based upon the member's number of credited years of service and the number of years in retirement.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association-Retired, the Hawaii State Teachers Association, and the Hawaii Government Employees Association Retirees Unit. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Comments on this measure were also submitted by the Employees' Retirement System (ERS).

Your Committee finds that the current post retirement allowance increases are grossly inadequate in combating the negative effect of inflation on pensions. However, your Committee finds that there is concern over the manner by which a new method for calculating post retirement allowance increases may be established. According to testimony provided, the method of calculation under this measure may be problematic in gaining favorable consideration by the Internal Revenue Service, thus jeopardizing the ERS's current tax-exempt status. Your Committee further finds that in the interest of protecting the ERS, the ERS should conduct a study on appropriate and viable options for establishing a new method for providing post retirement allowance increases that will be more favorable to retirees, especially those that have been retired for a number of years.

Accordingly, your Committee has amended this measure by replacing its contents with language that appropriates funds from the ERS' investment earnings to the ERS to conduct a study on appropriate options for calculating post retirement allowance increases.

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

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2278 (Majority) Labor on S.B. No. 2210

The purpose of this measure is to provide an employee with the option of substituting accrued paid leave, including vacation, personal, or family leave, for any part of the statutorily mandated four-week family leave period.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the ILWU Local 142, the International Association of Machinist Union-Local Lodge 1979, the IBEW Local 1260, the IBEW Local 1357, the IBEW Local 1186, the Hawaii State AFL-CIO, and one individual.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development. Comments on the measure were also submitted by the Department of Labor and Industrial Relations.

Your Committee finds that, under the current law, the substitution of accrued paid leave for statutorily mandated family leave is at the discretion of the employee or employer. Regrettably, some employers are arbitrarily exhausting an employee's accrued paid leave in substitution of leave that would otherwise qualify as family leave. The resultant exhaustion of accrued paid leave, such as vacation leave, compromises an employee's ability to later take leave for a vacation or some other absence that would not qualify as family leave. Therefore, your Committee determines that the employee should have sole discretion in determining the manner in which to utilize the employee's accrued paid leave in the employee's best interest.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2210 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2279 Labor on S.B. No. 2272

The purpose of this measure is to require retired individuals who receive reimbursements from the Hawaii employer-union health benefits trust fund (EUTF) for Medicare part B premiums to designate an institution of their choice for direct deposit of reimbursements after July 1, 2006.

This measure also amends existing statutory language for purposes of clarity.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Hawaii EUTF, and the Hawaii State Teachers Association.

Your Committee finds that advancements in technology enable the EUTF to provide retired employee-beneficiaries and their spouses with the convenience and benefits of direct electronic deposit of Medicare part B reimbursements into the retired employee-beneficiaries' or spouses' bank accounts. Your Committee further finds that, currently, retired employee-beneficiaries benefit from the employees' retirement system's similar authority to pay benefits through direct deposits. Your Committee determines that requiring direct deposit for the reimbursement of Medicare part B premiums will result in reduced postage costs, reduced cost of handling paper checks, diminished potential for lost or stolen paper checks, and added convenience through the elimination of the physical deposit of paper checks.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2272 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2280 Labor on S.B. No. 2274

The purpose of this measure is to exclude from membership in the hybrid plan, members of the employees' retirement system (ERS) who received in-service refunds of pension contributions made under section 414(h)(2) of the Internal Revenue Code of 1986, as amended.

This measure also repeals the provision allowing members a one-time withdrawal of the member's contributions to the ERS in the event of economic hardship.

Testimony in support of this measure was submitted by the ERS Board of Trustees and the Hawaii State Teachers Association.

Your Committee finds that the tax-qualified retirement plan status of the ERS may be in jeopardy due to certain provisions of the law regarding the ERS. Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, provides for favorable tax treatment for employee contributions "picked up" by the employer for the employee to a tax qualified retirement plan established by a State or county. The tax-qualified status of the ERS is currently compromised by allowing members to receive a refund of contributions made under section 414(h)(2) while the member is employed by the State or county or if the member received a refund while the member was employed by the State or county and the member is subsequently allowed to have additional contributions made on the member's behalf under section 414(h)(2).

Your Committee further finds that, under the current law, a member is allowed to make a one-time withdrawal of accumulated contributions to the ERS in the event of economic hardship while still employed by the State or county. However, testimony given by the ERS has indicated that this provision also jeopardizes the ERS's tax-qualified status.

Your Committee determines that in order to maintain the ERS' tax-qualified retirement plan status, the law must be amended to bring the ERS in compliance with the Internal Revenue Code. Although this measure will prevent certain members of the ERS from participating in the new H class of service, the prohibition is limited to those members who had previously made an election to change their membership status and receive their contributions from the ERS. This is a limited group of members who at one time were offered an election, which is now irrevocable. Your Committee believes in the importance of making necessary changes to the law for the preservation of the tax-qualified retirement plan status with the Internal Revenue Service as the ERS continues to move forward, improve, and evolve, including through the establishment of the new H class of service.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2274 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2281 (Majority) Labor on S.B. No. 2537

The purpose of this measure is to repeal provisions within the Hawaii Revised Statutes that require public employees to take a loyalty oath.

Testimony in support of this measure was submitted by the Office of the Ombudsman.

Your Committee finds that Article XVI, Section 4, of the Hawaii State Constitution was amended in 1992 to require only the Governor, Lieutenant Governor, members of the Legislature, members of the Board of Education, members of the National Guard, employees of the State and counties possessing police powers, district court judges, and officers whose appointment requires the consent of the State Senate to subscribe to an oath of office. Subsequent to the 1992 constitutional amendment, part II of chapter 85, Hawaii Revised Statutes, relating to loyalty oaths was also repealed. However, your Committee further finds that, although obsolete, certain provisions of the law still exist that either require specific employees to take a loyalty oath or refer to the repealed provisions of chapter 85, Hawaii Revised Statutes. Your Committee determines that these provisions should be repealed, as the affected positions are not specifically enumerated as those subject to the constitutional mandate of a loyalty oath and their continued presence may cause confusion as to their effect and applicability.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2537 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2282 Labor on S.B. No. 2643

The purpose of this measure is to allow the director of labor and industrial relations to refer, for vocational rehabilitation services, employees who have been deemed unable to return to work in their normal jobs as a result of a work injury.

Testimony in support of this measure was submitted by the ILWU Local 142 and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Human Resources Development and the Hawaii Rehabilitation Counseling Association. Comments on the measure were also submitted by the Department of Labor and Industrial Relations (DLIR) and the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that, under the current law, the director of DLIR is authorized to refer, for vocational rehabilitation services, employees who may or have suffered permanent disability. However, the law puts into question vocational rehabilitation services for an injured employee who may not suffer permanent disability, but has also been deemed unable to return to work due to other reasons, including non-physical impairments. Your Committee finds that an important objective in workers' compensation cases is that an injured employee returns to work as quickly as possible. The provision of vocational rehabilitation services is essential in assisting an injured employee in returning to full employment status. Your Committee determines that assisting individuals who fall within this group is in the best interest of the State, the insurers, the employers, and the injured employees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2643 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2283 Labor on S.B. No. 2646

The purpose of this measure is to establish a mechanism for reserving and appropriating twenty percent of the State's excess revenues to the employees' retirement system to pay down the unfunded liability of the system.

This measure also appropriates funds to the ERS to reduce the system's unfunded liability.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Comments on this measure were submitted by the Department of Budget and Finance and the ERS.

Your Committee finds that the ERS' funded ratio has declined from ninety-five percent in 2000 to sixty-nine percent in 2005. This decrease is largely attributed not only to the financial market downturn in the wake of the events of September 11, 2001, but also the Legislature's diversion of the ERS' excess investment earnings in the past to address state and county budgetary needs. Your Committee further finds that approximately \$3,900,000,000 is needed to fully fund the ERS, a necessary and attainable goal with the proper planning. This measure will appropriate funds to the ERS to begin to address the ERS' unfunded liability as well as create a mechanism by which excess state revenues, in economically prosperous times, will be used to decrease the ERS' unfunded liability. Your Committee believes that the reduction and eventual elimination of the ERS' unfunded liability is an important objective that should be addressed before the problem increases further.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2646 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2284 (Majority) Labor on S.B. No. 3011

The purpose of this measure is to provide public employees with satisfactory performance records in public service first consideration in filling civil service positions.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the Judiciary, the Department of Human Resources Development, the Department of Human Resources for the City and County of Honolulu, the Department of Civil Service for the County of Hawaii, and the Department of Personnel Services for the County of Maui.

Your Committee finds that, although opportunities for career advancements are already available to public employees based on the merit system and the provision of intra-departmental and inter-departmental promotional examinations, additional efforts to retain and compensate qualified employees must be implemented. Act 253, Session Laws of Hawaii 2000, repealed section 76-22.5, Hawaii Revised Statutes, which required the director of personnel services to determine, establish, and maintain the manner in which positions would be filled, including by giving first consideration to competent public employees. Act 253 also required each jurisdiction to establish and maintain a separate civil service system based on the merit principle. It is unclear whether appropriate rules or policies have been established since Act 253 was enacted to provide a preference for current public employees under the merit system. Your Committee believes that the need to recruit and retain qualified employees, especially during these times of low unemployment rates, as well as the need to compensate competent public employees, necessitates the establishment of a clear policy on the issue under the law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2285 Health on S.B. No. 2082

The purpose of this measure is to establish circumstances under which insurers, mutual benefit societies, and health maintenance organizations are required to provide employers with employer-sponsored group health claims experience.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Kaiser Permanente, Hawaii Medical Service Association, and Summerlin Life and Health Insurance Company.

Your Committee finds that it is in the best interest of the entire community that individual privacy be both valued and protected. Sensitive information should be safeguarded and individuals should not be penalized for their respective health conditions. This measure specifies the type of health care information that may be provided to employer groups and the circumstances under which it may be provided.

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. 2082 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Hanabusa).

SCRep. 2286 (Joint) Transportation and Government Operations and Human Services on S.B. No. 2920

The purpose of this measure is to make a grant to the Aloha United Way 211, and require all state and county agencies and private providers of services receiving government contracts to participate in the 211 information system.

Your Committees received testimony in support of this measure from the State Civil Defense, Aloha United Way, and one individual.

Aloha United Way 211 is a 24/7 information and referral service that is available statewide. Dialing 2-1-1 immediately provides callers access to a specialist, who directs callers to more than four thousand programs and services as appropriate to their needs. Although the 211 program is operating, public awareness is limited and services need to be upgraded and expanded.

Your Committees find that the easy-to-remember 211 dialing code will provide direct access to organizations providing community information and referral services, such as housing and rental assistance, legal assistance, counseling, and hospice services, that are not currently available through the 911 emergency code.

The State Civil Defense testified that the 211 number provided a vital service during the 2004 Manoa flood disaster and other emergencies.

In order to expand its 211 program, the Aloha United Way will: (1) conduct major public awareness campaigns, reaching out to the public through employers, schools, and agencies; (2) increase agency participation in the 211 database; and (3) increase the 211 center's quality, capacity, and disaster response capabilities, to include technology upgrades, training, and evaluation systems.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2920 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Ihara, Kanno, Kokubun, Menor).

SCRep. 2287 (Majority) Labor on S.B. No. 3016

The purpose of this measure is to allow civil actions under chapter 104, Hawaii Revised Statutes (HRS), for injunctive and other relief to be instituted by a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committee finds that, under the current law, laborers or mechanics may bring suit to recover wages or overtime compensation under chapter 104, HRS. However, the law fails to contemplate situations wherein an aggrieved individual is essentially prevented from seeking redress due to a lack of information and resources, the fear of retaliation, or the inability to obtain injunctive relief against an employer who is continuously in violation of the law. Your Committee further finds that in other jurisdictions labor organizations have been successful in assisting aggrieved laborers in exposing and enjoining from further violative behavior, contractors who are continuously violating the law. Your Committee believes that the extension of the right to bring suit for injunctive and other relief against an employer in violation of chapter 104, HRS, will provide an additional remedy as well as an additional safeguard within the system to ensure that prevailing wages laws are followed and enforced. Furthermore, the limitation of the extension of this right to joint labor-management committees, as established by the federal Labor Management Cooperation Act of 1978, will also ensure that suits are only brought by cooperative committees comprised of an equal number of representatives from laborers and management.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3016, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2288 (Joint) Labor and Education and Military Affairs on S.B. No. 3019

The purpose of this measure is to establish a collective bargaining process for new century charter school employees.

Specifically, this measure:

- (1) Assigns employees of a new century charter school to an appropriate bargaining unit;
- (2) Establishes the employer for the purposes of negotiating collective bargaining agreements for employees of new century charter schools;

- (3) Establishes the local school board as the authority to negotiate memoranda of agreement or supplemental agreements for new century charter school employees;
- (4) Establishes that the employee organization certified by the Hawaii labor relations board shall be the exclusive representative for all employees in an appropriate bargaining unit; and
- (5) Determines that cost items appropriated for new century charter school employees shall be allocated by the department of budget and finance to the charter school administrative office for distribution to the schools.

Testimony in support of this measure was submitted by the Charter School Administrative Office, the Hawaii State Teachers Association, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Comments on the measure were also submitted by the Office of Collective Bargaining and the Board of Education.

Your Committees find that the unique nature of charter schools necessitates the full utilization of personnel, resulting in many employees performing the duties of multiple positions. Due to their size and limited resources, charter schools are often faced with challenges unlike those of their public school counterparts. Your Committees believe that the establishment of guidelines and procedures for handling collective bargaining negotiations specific to charter school employees is needed to protect their rights. Clarification in the law will allow the new century charter school employees to be properly represented and have their rights appropriately safeguarded.

Accordingly, your Committees have amended this measure by clarifying the language of subsection (c) to ensure that new century charter schools have flexibility in negotiating an agreement that fits their particular needs.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3019, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3019, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Hooser, Ihara).

SCRep. 2289 (Majority) Labor on S.B. No. 3031

The purpose of this measure is to ensure that, in the event of a dispute between an injured employee and the employer or the employer's insurer, the injured employee continues to receive medical treatment under the last approved treatment plan until the director of labor and industrial relations renders a decision on whether the provision of medical treatment should be continued.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the ILWU Local 142; the IBEW Local 1186; the IBEW Local 1260; the IBEW Local 1357; the Hawaii State Chiropractic Association; the Hawaii Chapter, American Physical Therapy Association; the Hawaii State Teachers Association; and eight individuals.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development, the Hawaii Insurers Council, the Hawaii Independent Insurance Agents Association, and the Society for Human Resource Management – Hawaii Chapter. Comments on this measure were also submitted by the Department of Labor and Industrial Relations (DLIR) and the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that, under the current law, the medical services of an injured employee can be prematurely and improperly terminated when the employer denies a treatment plan. In these situations, if the injured employee disputes the termination of medical services, the matter must be resolved through a hearing and determination made by the director of DLIR within sixty days after the date of the hearing. Although DLIR makes efforts to expedite the process, the cessation of medical treatment during the interim can be severely detrimental to the injured employee's health and recovery. In many cases, the cessation of medical treatment can result in the deterioration of an injured employee's condition, thereby extending the duration of the need for medical services and the injured employee's absence from work.

Your Committee further finds that the workers' compensation system balances the interests of employers and employees by guaranteeing that workers injured on the job receive medical treatment and replacement of lost wages, while employees relinquish their right to sue under most circumstances. Therefore, the continued provision of medical treatment should not be capriciously terminated. Your Committee believes that when balancing all of the interests involved, an injured employee merits protection through the provision of uninterrupted medical services until the director of DLIR makes a formal determination that the services are no longer warranted.

Accordingly, your Committee has amended this measure by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3031, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2290 (Majority) Labor on S.B. No. 3050

The purpose of this measure is to prohibit an employer from coercing employees into attending employer-sponsored meetings to communicate the employer's religious or political opinions.

Specifically, this measure:

- (1) Prohibits an employer from requiring an employee to attend an employer-sponsored meeting or participate in communications with the employer, the purpose of which is to communicate the employer's opinion about religious or political matters;
- (2) Excludes communications that an employer is required by law to communicate;
- (3) Excludes communications of religious organizations, political organizations, and educational institutions, when the content of the communications directly relates to the organization's business or purpose;
- (4) Provides an employee with protection from retaliation by an employer for making a good faith report of a violation of the law; and
- (5) Establishes legal remedies, including reinstatement, payment of back pay, reinstatement of employee benefits, treble damages, and attorney's fees and costs.

Testimony in support of this measure was submitted by the ILWU Local 142; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State AFL-CIO; the IBEW Local 1186; the IBEW Local 1260; the IBEW Local 1357; and the Hawaii State Teachers Association.

Testimony in opposition to this measure was submitted by the Society for Human Resource Management – Hawaii Chapter. Comments on the measure were also submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, the Department of the Attorney General, and the Hawaii Civil Rights Commission.

Your Committee finds that in this country each individual is promised religious and political liberty, freedoms upon which this nation was founded. Unfortunately, employers seeking to impart their own religious or political beliefs to their employees in the workplace are infringing upon these freedoms. Your Committee further finds that the problem seems to be an increasing phenomenon with employers utilizing the workplace as a forum for partisan politics and proselytizing, including the introduction of threats regarding union issues. Current protections under the law are inadequate to protect employees from this type of coercive behavior. Your Committee does not believe that an employer's ability to conduct its business will be hampered by this measure. At the same time, your Committee recognizes the need to allow certain types of employers the ability to engage in activity promoting or opposing political or religious viewpoints, as such is essential to their businesses.

Accordingly, your Committee has amended this measure by:

- (1) Including language to indicate that the new chapter shall have no effect on chapter 368, Hawaii Revised Statutes (HRS), or part I of chapter 378, HRS, and claims or complaints made thereunder; and
- (2) Making technical, nonsubstantive changes to reflect proper and preferred drafting style and to provide further clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3050, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2291 (Joint) Media, Arts, Science and Technology and Water, Land, and Agriculture on S.B. No. 3176

The purpose of this measure is to amend section 6E-43.6, Hawaii Revised Statutes, to require the Department of Land and Natural Resources to map burial sites that are inadvertently discovered and the new site to which the remains are to be relocated, using a global positioning system device, and to record the information with the Bureau of Conveyances.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and a private individual. The Department of Land and Natural Resources submitted testimony in opposition of this measure.

The historic and cultural heritage of the State is an important asset that must be preserved and enhanced for future generations, especially with respect to historic and cultural property. Your Committees find that amending section 6E-43.6 to require the Department of Land and Natural Resources to map and record the coordinates of the location where human skeletal remains are inadvertently discovered will further the State's efforts in preserving historic and cultural property.

Your Committees further find that the Department of Land and Natural Resources is planning to convene a work group of archeologists who will review the Historic Preservation Division's current operations and will offer recommendations for improving their operations. One of the issues the work group plans to examine is the cost, accuracy, and reliability of various global positioning

system devices currently available on the market. Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2050 to allow the work group time to select an appropriate global positioning system device for the Department to use.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3176, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3176, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Hooser, Ihara, Hemmings).

SCRep. 2292 Transportation and Government Operations on S.B. No. 2051

The purpose of this measure is to clarify the regulation of a hazardous materials endorsement for purposes of commercial driver's licensing applications and renewals.

Your Committee received testimony in support of this measure from the Department of Transportation, the City and County of Honolulu, and Hawaii Transportation Association.

Your Committee finds that this measure amends existing law to adjust the renewal period of a commercial driver's license with a hazardous materials endorsement. Federal regulations require the renewal of a hazardous materials endorsement every five years or less so that individuals are subject to a Transportation Security Administration security screening requirement at least every five years.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2051 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2293 Transportation and Government Operations on S.B. No. 2215

The purpose of this measure is to create a category of "highly intoxicated driver" for a person with a 0.15 blood alcohol reading for the purpose of enhanced penalties under driving while intoxicated law.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), the Department of Health, and Mothers Against Drunk Driving (MADD). Testimony in opposition was received from the Public Defender.

Your Committee finds that persons who are highly intoxicated are an enhanced danger while driving and deserve enhanced penalties. According to the National Transportation Safety Board, drivers with a high blood alcohol content pose an increased risk of crashes, injuries, and fatalities.

According to the DOT, a person with a 0.15 percent blood alcohol level is 380 times more likely to be involved in a fatal crash than a non-drinking driver. Presently, thirty two states and the District of Columbia have high blood alcohol laws that adopt the 0.15 standard.

This measure adopts the national MADD recommendations by making sanctions for driving with a high blood alcohol concentration similar to laws for repeat offenders. Upon the recommendation of MADD, your Committee has amended this measure by providing for a six month driver's license revocation and plate impoundment for an administrative revocation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2215, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2294 Commerce, Consumer Protection and Housing on S.B. No. 2952

The purpose of this measure is to effectuate the implementation plan prepared by the Housing and Community Development Corporation of Hawaii to create two separate state housing agencies, the Hawaii Housing Finance and Development Corporation, and the Hawaii Public Housing Authority, and to make necessary technical and conforming amendments to relevant statutory provisions.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that the burden of administering the public housing projects in the State has overshadowed the ability of the Housing and Community Development Corporation of Hawaii to pay sufficient attention to the financing and development of affordable housing. Accordingly, as required by Act 196, Session Laws of Hawaii 2005, the Corporation will be split into two organizations to more effectively concentrate on the development of affordable housing. This measure is a result of the implementation plan prepared by the Corporation for the reorganization of the State's housing functions, in compliance with Act 196.

Your Committee has amended this measure in accordance with the intent of the Housing and Community Development Corporation of Hawaii to clarify that the federal eviction process is applicable only to federal public housing projects. Your Committee has also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2952, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes 4. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2295 Commerce, Consumer Protection and Housing on S.B. No. 2958

The purpose of this measure is to implement many of the recommendations of the Joint Legislative Housing and Homeless Task Force, including to:

- (1) Appropriate funds for homeless and transitional housing programs;
- (2) Appropriate funds to repair vacant public housing units;
- (3) Adjust allocation of conveyance tax revenues;
- (4) Allow state-owned parcels to be leased for the development of self-help housing; and
- (5) Amend the state low-income housing tax credit to be used for construction and rehabilitation of existing affordable housing units.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii, the Land Use Research Foundation of Hawaii, the Hawaii Business Roundtable, the Hawaii Association of Realtors, Hawaii Habitat for Humanity, Affordable Housing and Homeless Alliance, and Catholic Charities Hawaii. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee finds that:

- (1) Clarification is needed that the Hawaii Housing Finance and Development Administration will be authorized to lease ceded land parcels for self-help housing development;
- (2) State rent supplement program funds should be utilized for state low-income housing units, provided that the median family income of persons or families eligible to participate in this program shall not exceed sixty per cent;
- (3) The new state low-income housing tax credit proposed by this measure for affordable housing should be decoupled from the existing state and federal low-income housing tax credits;
- (4) The rental housing trust fund's share of conveyance tax proceeds should be increased to sixty-five per cent for five years; and
- (5) Public lands suitable for affordable housing development have already been identified by the Department of Land and Natural Resources, and the analysis (included as Appendix F in the Report of the Joint Legislative Housing and Homeless Task Force) need not be required again by this measure.

Your Committee has amended the measure in accordance with the findings stated above, and has made technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2296 Commerce, Consumer Protection and Housing on S.B. No. 2013

The purpose of this measure is to extend the claiming period for the low-income household renters tax credit from twelve to thirty-six months.

Testimony in support of the measure was submitted by a concerned individual. The Department of Taxation submitted comments.

Your Committee finds that the amendment made by this measure will enable unsophisticated taxpayers to claim a credit to which they are entitled in a timely manner, rather than being disqualified from submitting an amended tax return.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2013 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2297 Commerce, Consumer Protection and Housing on S.B. No. 2414

The purpose of this measure is to appropriate \$6,000,000, or so much thereof as may be necessary for fiscal year 2006-2007, for a grant-in-aid to the County of Hawaii to construct infrastructure for affordable housing in Kona.

Testimony in support of the measure was submitted by the Department of Hawaiian Home Lands and the Mayor of the County of Hawaii.

Your Committee finds that the amount appropriated by this measure will provide funding for a connector roadway between Kealakehe Elementary School and Kealakehe High School, thereby improving access and alleviating traffic congestion in the Kona region.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2414 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2298 (Joint) Commerce, Consumer Protection, and Housing and Intergovernmental Affairs on S.B. No. 3000

The purpose of this measure is to implement the recommendations of the Joint Legislative Housing and Homeless Task Force with regard to government approvals and permitting for affordable housing.

Specifically, this measure:

- (1) Requires that state agencies in the permit review process give affordable housing projects priority processing;
- (2) Amends chapter 46, Hawaii Revised Statutes, relating to the general jurisdiction and powers of the counties, to provide greater flexibility in approving affordable housing projects by waiving certain requirements for infrastructure; and
- (3) Amends section 201G-118, Hawaii Revised Statutes, to improve and further streamline the fast-track permitting process for affordable housing projects.

Testimony in support of the measure was received from the Land Use Research Foundation of Hawaii and Hawaii Reserves, Inc. The Housing and Community Development Corporation of Hawaii and the Land Use Commission supported the intent of the measure. The Sierra Club Hawaii Chapter submitted testimony in opposition.

Your Committees find that the expedited permitting process for affordable housing authorized under section 201G-118, Hawaii Revised Statutes, has had only limited success, because applications for affordable housing projects must be negotiated with reviewing agencies before they can be deemed complete, and there is no time limit for this process. Shortening the length of the approvals process will assist in reducing the overall development costs of affordable housing projects.

Your Committees have amended this measure to delete the provision limiting imposition of conditions on an approved project or boundary change to those conditions necessary for health and safety, and to delete the requirement that the Land Use Commission amend its rules accordingly. Your Committees have also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3000, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3000, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Baker, English, Ige, Inouye).

SCRep. 2299 Commerce, Consumer Protection and Housing on S.B. No. 3048

The purpose of this measure is to assist low and moderate income persons in purchasing a principal residence by providing qualified buyers with a state income tax credit up to or equal to twenty percent of the annual mortgage interest payment.

Testimony in support of the measure was submitted by UniDev LLC. The Department of Taxation opposed the measure. Tax Foundation of Hawaii submitted comments.

Your Committee finds that there are conflicting viewpoints regarding this measure. There is a federal mortgage credit certificate program available, but it is not well publicized. A corresponding state program would allow the State to set the parameters for eligibility and target the tax credits for greatest effect on potential Hawaii homeowners, and would be a more efficient use of scarce state funds than downpayment assistance. On the other hand, a state mortgage credit certificate program would be complicated and perhaps unrealistic, and would provide a double tax benefit, given that federal and state tax laws currently provide tax relief for home ownership.

Your Committee has amended this measure by amending the effective date to July 1, 2050, for purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3048, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2300 Commerce, Consumer Protection and Housing on S.B. No. 2455

The purpose of this measure is to appropriate funds to Hawaii Habitat for Humanity to fund the building of two hundred homes, as well as for capacity building for Habitat affiliates and administration costs.

Testimony in support of the measure was submitted by Hawaii Habitat for Humanity and three individuals. The Housing and Community Development Corporation of Hawaii supported the intent of the measure.

Your Committee finds that the cost of this measure is far less than the cost of providing shelter for two hundred homeless or at-risk working families, or the cost of building two hundred affordable rental housing units.

Your Committee has amended the measure to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2455, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2301 Commerce, Consumer Protection and Housing on S.B. No. 2499

The purpose of this measure is to require an investment securities broker and an agent who share compensation for their services to pay the general excise tax for only that portion of the compensation retained by each.

Testimony in support of this measure was submitted by Cades Schutte, Linsco/Private Ledger Corp., and the National Association of Insurance and Financial Advisors. Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that it is fair and equitable to treat the security sales industry the same as the insurance and real estate sales industry by eliminating the double taxation of security brokers and their local agents.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2499, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2302 Education and Military Affairs on S.B. No. 2072

The purpose of this measure is to appropriate funds to establish and fill 16.5 permanent FTE athletic health care trainer positions in the public schools that would be assigned and filled based upon criteria established by the Department of Education.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Teachers Association, Hawaii Government Employees Association, the Athletic Directors and Coaches Association, and two individuals.

Your Committee finds that additional athletic health care trainers are necessary to provide quality care for student athletes. However, an increase in the number of teams and participants in multiple athletic venues has shifted the focus of care from conditioning, injury prevention, and rehabilitative programs to injury management. Additional qualified athletic health care trainers

are necessary to adequately address this increased demand, and these positions should be made permanent and classified within the appropriate collective bargaining unit.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2072 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2303 Education and Military Affairs on S.B. No. 2305

The purpose of this measure is to increase representation on the Advisory Board of Veterans' Services from seven members to twelve, and place the Board within the Office of Veterans' Services in the Department of Defense.

Testimony in support of this measure was submitted by the Office of Veterans' Services, the Advisory Board on Veterans' Services, and a member of the Advisory Board on Veterans' Services. An individual submitted testimony in support of the measure with amendments.

Your Committee finds that more and more veterans are moving to the West Hawaii area. In order to provide necessary representation in Hilo and Kona and to fully support our veteran community, the number of members on the Board should be increased from seven to twelve members and the number of veterans required to be on the Board should be increased from five to six veterans.

Your Committee has amended this bill by increasing the number of required veteran members from five to six and making nonsubstantive technical changes.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2305, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2304 Education and Military Affairs on S.B. No. 2647

The purpose of this measure is to prohibit the knowing or reckless display or offer for sale of any sexually explicit matter, between the hours of 6 a.m. and 6 p.m. within 500 feet of the real property comprising a school.

Your Committee received testimony in support of this measure from the Koolauloa Neighborhood Board No. 28.

Your Committee finds that this measure is similar to an existing law prohibiting the promotion of a controlled substance in, on, or near schools and public parks. The area encompassing school property is frequented by students who are impressionable. The display of visible sexually explicit matter should not be condoned.

Your Committee was informed in testimony that the genesis of this measure is a "family store" located in a neighborhood on Oahu that sells pornographic magazines. Your Committee finds that this is totally inappropriate for a family store, or any store in a neighborhood setting near a school.

Your Committee defers to the Committee on Judiciary and Hawaiian Affairs to determine the first amendment constitutional issues raised by this measure, if any, particularly with regard to overbreadth issues and content regulation.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2647 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2305 Education and Military Affairs on S.B. No. 2821

The purpose of this measure is to create and fund two full-time children's librarian positions at Waiialua Library and Kahuku Public School Library.

Testimony in support of this measure was submitted by the State Librarian, Wailua Public Library, Kahuku Public and School Library, and thirty-two individuals.

Currently, there are two half-time children's librarian positions at the Waiialua Library and Kahuku Public School Library. Your Committee finds children's library services play an important role in encouraging the life-long love of reading, and that this situation necessitates the establishment of two full-time children's librarian positions with full benefits.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2821 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2306 (Joint) Education and Military Affairs and Media, Arts, Science and Technology on S.B. No. 3093

The purpose of this measure is to implement technological initiatives required by Act 51, Session Laws of Hawaii 2004, to streamline and increase the automation level of key operational processes in the Department of Education.

Your Committees received testimony in support of this measure from the Department of Education, the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, and five individuals.

Your Committees find that streamlining Department of Education information and data systems will increase Department of Education productivity, support for students and families, and Department of Education accountability and transparency.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, English).

SCRep. 2307 (Joint/Majority) Education and Military Affairs and Human Services on S.B. No. 3101

The purpose of this measure is to implement the recommendations of the temporary early childhood education task force relating to the establishment of an early learning authority and board, early learning community councils, and a workforce and professional development institute.

Your Committees received testimony in support of this measure from the Departments of Education and Human Services, the Good Beginnings Alliance, Hawaii Family Support Institute, Childcare Business Coalition, Hawaii Association for the Education of Young Children, Hawaii Educational Policy Center, Keiki O Ka Aina Family Learning Centers, The League of Women Voters of Hawaii, and nine individuals.

Your Committees find that although the suggestion was considered to have the temporary early education task force appoint the membership of the early learning authority board of directors, under the separation of powers doctrine, this power is reserved for the governor. Instead, the measure provides that the governor will appoint the board membership from a list of nominees submitted by the task force.

Your Committees have amended this measure by incorporating suggestions made by the Good Beginnings Alliance and a member of the temporary early childhood education task force to:

- (1) Give the early learning authority board the power to mandate interdepartmental cooperation;
- (2) Elaborate on the membership of the early learning community councils;
- (3) Have the early learning authority board appointed from a list submitted by the task force; and
- (4) Have the workforce and professional development institute maintain a Hawaii Careers with Young Children Registry.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3101, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3101, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 2308 Transportation and Government Operations on S.B. No. 2236

The purpose of this measure is to make an emergency appropriation to increase the spending ceiling of the state risk management revolving fund to provide for unanticipated expenditures resulting from the May 7, 2005 fire at Kalaheo Elementary School.

Your Committee received testimony in support of this measure from the University of Hawaii and Department of Education,

Due to the anticipated expenditures relating to the fire at Kalaheo Elementary School and increases in property insurance arising therefrom, the state risk management revolving is projected to have expenditures in excess of the amounts appropriated by the Legislature for the state risk management program for fiscal year 2005-2006.

Your Committee finds that an emergency appropriation as requested by this measure are essential to the prudent operation of the State's risk management program.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2236 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2309 Transportation and Government Operations on S.B. No. 2237

The purpose of this measure is to allow the comptroller to deposit money received from the settlement of claims or for losses of the State into a trust account of the affected agency instead of into the state risk management revolving fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, the Department of Education, and University of Hawaii (UH).

The intent of this measure is to allow an affected agency that receives the money from the settlement or claim to receive the funds in a timely manner by means of a direct deposit of those funds into the agency's trust account established for this purpose.

Under current law for example, any insurance proceeds received by the State for a fire loss must be first deposited into the risk management revolving fund and then expended for the agency or department that sustained the loss. In the meantime, the damaged premises is not being repaired because the agency does not have the funds to pay for the repairs.

In October 2004, the UH Manoa campus was flooded and sustained major damage. The insurance proceeds of \$25,000,000 were first deposited into the risk management revolving fund where they remained until later appropriated out of the fund on an emergency basis. The lag in time caused the UH to pay for repairs from existing appropriations, causing previously planned projects to be needlessly delayed.

Your Committee finds that this measure would put the insurance proceeds directly into the hands of the agency to proceed immediately with repairs.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2237 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2310 Transportation and Government Operations on S.B. No. 2238

The purpose of this measure is to make an emergency appropriation for statewide electricity payments for facilities assigned to the Department of Accounting and General Services (DAGS).

Your Committee received testimony in support of this measure from DAGS.

Your Committee finds that the steady rise in world oil prices has directly contributed in a \$1,276,000 shortfall for fiscal year 2005-2006. Even with conservation measures, the electricity needed to run public buildings to sustain ongoing state operations is costing more simply because the cost per kilowatt hour is higher. DAGS cannot afford to absorb those higher costs without jeopardizing the provision of other services in the custodial services program that are necessary for health and safety.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2238 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2311 Transportation and Government Operations on S.B. No. 2308

The purpose of this measure is to establish a private facilities retrofit tax credit for qualified private facilities for construction or renovation to meet civil defense specifications.

Your Committee received testimony in support of this measure from the State Civil Defense Agency and Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Qualified private facilities under this measure include adult residential care homes, healthcare facilities, hotels, and places of public accommodations. This measure encourages owners of institutional entities where many people may be gathered at any one time, to retrofit their buildings. This would allow them to shelter their population, many of whom are vulnerable to disaster, and otherwise would be helpless but for the security of the building in the event of disaster.

Your Committee finds that taxpayers should be allowed a tax credit for the meaningful investment in the modification of a facility that results in reinforcing the integrity of the structure. This measure encourages taxpayers to retrofit outdated structures or building designs to make those structures safer.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2308 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2312 Transportation and Government Operations on S.B. No. 2385

The purpose of this measure is to increase the penalties for motorists who violate Hawaii's crosswalk law.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), the Department of Health, and the Honolulu Police Department. Testimony in opposition was received from the Public Defender.

Act 73, Session Laws of Hawaii 2005, amended the crosswalk law to clarify when a motorist has a duty to come to a complete stop for a pedestrian in a crosswalk. However, according to a November 13, 2005 article in the *Honolulu Advertiser*, despite a highly publicized new law to protect pedestrians, the number of people killed in crosswalks has increased forty-three percent this year and the State could have its highest number of pedestrian traffic deaths in five years.

According to testimony of the DOT, pedestrian fatalities continue to be a problem in Hawaii. From 1999 to 2004, there were a total of 171 pedestrian fatalities statewide. At the time of these accidents, 37 fatalities or 21.6 percent of the total number of pedestrian fatalities occurred in crosswalks. In the 2005 calendar year, 36 fatalities or 25.5 percent of our total traffic fatalities were pedestrians. Thirteen of the 36 fatalities or 36.1 percent were within crosswalks at the time of the accident.

Your Committee finds that the crosswalk law needs to be strengthened by enhanced penalties as a deterrent and punishment to drivers who do not stop for pedestrians. This measure provides penalties as follows:

- (1) For a first conviction, a fine of not less than \$150 and revocation of license and privilege to operate a vehicle for a period not less than ninety days;
- (2) For a second conviction, a fine of not less than \$300 and revocation of license and privilege to operate a vehicle for a period not less than one-hundred and eighty days; and
- (3) For a third or subsequent conviction, committed within one year of the date of the second offense, a fine of not less than \$1000, revocation of license and privilege to operate a vehicle for a period of one year, and thirty days imprisonment.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2385, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2313 Transportation and Government Operations on S.B. No. 2386

The purpose of this Act is to authorize the use of moneys from the state highway fund for the road systems of the counties for fiscal year 2005-2006.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that the State should assist the counties with the costs of construction, maintenance, and repair of county roads. The traveling public should be able to rely upon government to fix and improve roads, without regard to technicalities of ownership between the State and counties. The costs of road work is rising so rapidly that the counties have nowhere to turn for help except the State.

Your Committee has amended this measure by codifying it, according to the proper drafting form.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2314 Transportation and Government Operations on S.B. No. 2488

The purpose of this measure is to establish an income tax credit for the purchase of a hybrid motor vehicle.

Your Committee received comments on this measure from the Department of Taxation, Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that this measure provides an incentive in the form of an income tax credit to encourage taxpayers to purchase hybrid (electric and traditional fuel) motor vehicles. The spiraling price of gasoline is spurring the demand for hybrids. There is also a significant environmental conservation benefit derived from hybrids.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2315 Transportation and Government Operations on S.B. No. 2663

The purpose of this measure is to clarify that the law on flexible highway design applies to the Koolau Loa coastal highway from Kaaawa to Waimea on Oahu.

Your Committee received testimony in support of this measure from Ho'opono Ko'olau Loa and Hawaii Reserves, Inc.

Your Committee finds that the rural nature of the moku should be preserved for the kama'aina and malihini alike. The Koolau Loa coastal highway provides beautiful vistas from the mountains to the ocean. The esthetics along this drive are emblematic of the aloha spirit and natural beauty of the island which should be preserved for generations to come.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2663 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2316 Transportation and Government Operations on S.B. No. 2879

The purpose of this measure is to make an appropriation for the Hawaii Civil Air Patrol (CAP) to assist in defraying operational expenses.

Your Committee received testimony in support of this measure from the State Civil Defense, Hawaii CAP, and three individuals.

Today, as a peacetime auxiliary of the Air Force, the Hawaii CAP remains an active volunteer organization with approximately five hundred fifty members, including two hundred cadets. The Hawaii wing has three primary missions: search and rescue, aerospace education, and the cadet program. It is also an active participant in counter-drug operations for the Drug Enforcement Agency, flying over one hundred seventy-nine missions in 2003.

Your Committee finds that the Hawaii CAP depends on receiving state funding to defray its operational expenses, but past budget restrictions have hampered its ability to carry out necessary operations. The State Civil Defense testified that the Hawaii CAP operations are especially crucial to the civil defense warning system for tsunamis. Additionally, the Hawaii CAP performs other important functions for civil defense such as air reconnaissance, aerial damage assessments, inland search and rescue, and small cargo delivery when inter-island transportation is not available.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2317 Transportation and Government Operations on S.B. No. 2882

The purpose of this measure is to make an appropriation for the Hawaii Civil Air Patrol (CAP) to repair the roof hangar at the Hawaii wing headquarters.

Your Committee received testimony in support of this measure from State Civil Defense, Hawaii CAP, and two individuals.

The Hawaii CAP provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations. As a peacetime auxiliary of the Air Force, the Hawaii CAP remains an active volunteer organization with approximately five hundred fifty members, including two hundred cadets. The Hawaii wing has three primary missions: search and rescue, aerospace education, and the cadet program. It is also an active participant in counter-drug operations for the Drug Enforcement Agency, flying over one hundred seventy-nine missions in 2003.

Your Committee finds that maintenance and repair of hangars are a necessity for successful rescue missions and the Hawaii CAP depends on state funding to meet its basic needs.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2882 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2318 Judiciary and Hawaiian Affairs on S.B. No. 1311

The purpose of this measure is to authorize a three-year pilot project to assume supervision and control over inmates in correctional facilities that qualify for the track IV phase of a drug court program.

The Judiciary, A Woman's Voice International, Community Alliance on Prisons, and the Drug Policy Action Group submitted testimony in support of this measure. Two individuals also submitted testimony in support of this measure. The Department of Public Safety and the Office of the Public Defender submitted testimony in opposition to this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments on this measure.

Your Committee finds that the Judiciary's drug court program has been extremely successful in reducing the recidivism rate for drug offenders. The rehabilitation programs that prepare persons for life after incarceration are critical to the well-being of the community. Your Committee further finds that all judicial circuits can benefit by an expansion of the three-year drug court pilot project.

Your Committee amended this measure to:

- (1) Delete any reference to a specific numerical track and instead refer to inmates eligible for this drug court program as "inmates in correctional facilities who qualify for a drug court program";
- (2) Delete specific reference to "Maui" drug court and instead reference "drug court pilot project" to provide all of the adult drug courts within the State the opportunity of implementing the pilot project as an option; and
- (3) Change the sunset date to June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2319 Judiciary and Hawaiian Affairs on S.B. No. 1313

The purpose of this measure is to require moneys from the criminal forfeiture revolving fund be used for drug treatment programs.

Your Committee received testimony in support of this measure from A Woman's Voice International, Community Alliance on Prisons, Drug Action Policy Forum, and Drug Policy Action Group. Two individuals also submitted testimony in support of this measure. The Attorney General and the Honolulu Police Department submitted testimony in opposition to this measure.

Your Committee finds that this measure should be kept alive for continued discussion and to provide the Attorney General an opportunity to pursue a Memorandum of Agreement with the federal government that would require the Attorney General to serve as a clearinghouse for all forfeited property in order to control the amount and use of forfeited property and moneys.

Your Committee has amended this measure to change the effective date to a defective effective date of July 1, 2050 in order to keep this measure alive for further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2320 Judiciary and Hawaiian Affairs on S.B. No. 2949

The purpose of this measure is to create an office of the ombudsman for prisons and probation to be administratively attached to the Department of Public Safety to investigate prisoner complaints, deaths, and riots.

Testimony in support of this measure was submitted by A Woman's Voice International, the Community Alliance on Prisons, and two individuals. The Department of Public Safety submitted testimony in opposition to this measure. The Office of the Ombudsman submitted comments.

Your Committee finds that the existing Office of the Ombudsman currently has authority to address issues relating to prisoners at state facilities, and that it would be more appropriate to extend the scope of those duties to all prisoners than to establish an additional ombudsman. Thus, as almost fifty per cent of Hawaii's inmates are transferred to out-of-state facilities, it is necessary to give the Office of the Ombudsman the authority to investigate complaints against an out-of-state facility and cases of death or riot at an out-of-state facility.

Your Committee amended this measure to provide the Office of the Ombudsman the authority to investigate out-of-state, private, or federal correctional facilities or institutions that have contracts with the Department of Public Safety to house Hawaii's inmates. Your Committee has restricted that authority to the facilities themselves, and not their employees.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2949, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2321 Judiciary and Hawaiian Affairs on S.B. No. 3235

The purpose of this measure is to expand the family court's "Kids First" program and appropriate funds.

Testimony in support of this measure was submitted by the Domestic Violence Clearinghouse and Legal Hotline, an educator from the Hawaii State Coalition Against Domestic Violence, and two individuals. The Judiciary took no position on this measure.

Your Committee finds that the Kids First program is an important avenue for families who are experiencing a separation or divorce to focus on the children who may need additional support and understanding during the period of transition.

Your Committee amended this measure by deleting the requirement to develop a parenting plan and instead emphasizing the importance of the development of a parenting plan. The Judiciary is working with the Family Law Division of the Hawaii State Bar Association to include information about developing a parenting plan in the information provided to parents at family court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2322 Judiciary and Hawaiian Affairs on S.B. No. 3237

The purpose of this measure is to appropriate funds to the Volunteer Legal Services of Hawaii Na Keiki Law Center.

Testimony in support of the measure was submitted by Volunteer Legal Services of Hawaii, the Healthy Mothers, Healthy Babies Coalition of Hawaii, the Hawaii Foster Youth Coalition, the Domestic Violence Clearinghouse and Legal Hotline, an educator with the Hawaii State Coalition Against Domestic Violence, and four individuals. One individual took no position on this measure.

Your Committee finds that Volunteer Legal Services of Hawaii's Na Keiki Law Center focuses on the legal needs and rights of children by providing guidance and legal services to children and their families in need. The center provides legal representation to children who are at risk of being or are homeless, at risk of or have been abused or neglected, and witnesses to domestic violence. The center also provides legal education and support to professionals working with children. According to the testimony of Volunteer Legal Services of Hawaii, your Committee finds that Na Keiki Law Center needs \$460,000 to continue to provide all these services to allow the center to fulfill its purpose of protecting Hawaii's children.

Your Committee has amended the bill by designating the Judiciary as the expending agency and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3237, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2323 (Joint) Media, Arts, Science and Technology and Judiciary and Hawaiian Affairs on S.B. No. 2673

The purpose of this measure is to require the Department of Land and Natural Resources (DLNR) to ensure that public historic and cultural properties have sufficient surrounding public lands to serve as a buffer.

Your Committees received testimony in support of this measure from the DLNR, Office of Hawaiian Affairs, the Oahu Council of the Association of Hawaiian Civic Clubs, Malama Kukuio Kane, Hawaiian Island Productions, and one individual.

Your Committees find that creating spatial buffers around historic and cultural sites is crucial to preserving the physical integrity of these fragile environments. Furthermore, such buffers would perpetuate the spiritual characteristics of the sites.

Your Committees further find that the taking of property by eminent domain to create a buffer zone around historic and cultural properties constitutes a public purpose.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2673 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Ihara).

SCRep. 2324 (Joint) Health and Transportation and Government Operations on S.B. No. 2898

The purpose of this measure is to provide a limited procurement exemption for the Hawaii Health Systems Corporation (HHSC), and allow the HHSC to appoint a chief procurement officer.

Your Committees received testimony in support of this measure from the Governor's office, HHSC, and West Kauai Medical Center – Mahelona Medical Center. Testimony in partial opposition was received from the State Procurement Office (SPO), and in opposition from Diagnostic Laboratory Services, Inc.

The utmost concern of your Committees is the protection of patient care and safety. Testimony from the HHSC before a joint legislative committee during the interim on procurement was rife with incidences of delayed procurement or no procurement of essential medical supplies and equipment. Your Committees are cognizant of the transitional difficulties inherent in the repeal of the HHSC's procurement exemption pursuant to Act 216, Session Laws of Hawaii 2004. Nonetheless, your Committees understand from the testimony of the SPO that procurement procedures of the HHSC are proceeding efficiently with the assistance of the SPO.

Your Committees have amended this measure by:

- (1) Deleting references to a limited procurement exemption;
- (2) Clarifying the language relating to the chief procurement officer for the HHSC; and
- (3) Making a conforming statutory amendment.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2898, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2898, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hee, Kanno)

SCRep. 2325 (Joint/Majority) Commerce, Consumer Protection and Housing, Intergovernmental Affairs and Education and Military Affairs on S.B. No. 2702

The purpose of this measure is to require new residential developments to dedicate land or pay an in lieu fee for the development of additional school facilities.

This measure also restricts use of land dedicated or fees collected for development of school facilities to the benefit district where land was dedicated or fees collected, and provides for refund of the fees collected if not expended within six years of collection.

Testimony in support of the intent of the measure was submitted by the Department of Education, with reservations regarding its implementation. The Office of Planning recommended deferral of the measure until clear minimum legal standards for needs assessment, rational nexus, and proportionate share can be established for school impact fees. The Land Use Research Foundation of Hawaii also expressed concern that the measure is premature before the School Impact Fee Working Group established by Act 246, Session Laws of Hawaii 2005, completes its research and submits its report to the Legislature.

Your Committees find that the School Impact Fee Working Group was required by Act 246 to submit its findings, recommendations, and proposed legislation, if any, including a needs assessment case study of Central Oahu, to the Legislature no later than twenty days prior to the regular session of 2006. Your Committees further find that the Working Group needs additional time to complete the measurable, specific deliverables required by Act 246.

Your Committees have amended this measure to:

- (1) Make reference to the School Fair Share Contribution Study issued in May 2001;
- (2) Acknowledge the ongoing efforts of the School Impact Fee Working Group established by Act 246, Session Laws of Hawaii 2005;
- (3) Leave blank for further discussion the number of multifamily dwelling units that require dedication of land;
- (4) Specify that the fee in lieu of land dedication shall be paid to the State;
- (5) Clarify that the fee in lieu of land dedication shall be based upon the fair market value of the improved land;
- (6) Change the effective date to July 1, 2050, to facilitate further discussion; and
- (7) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, 2 (Hogue, Slom). Excused, 3 (Baker, English, Inouye).

SCRep. 2326 Labor on S.B. No. 3012

The purpose of this measure is to allow a member of the employees' retirement system who is diagnosed with an incurable debilitating disease to qualify for ordinary disability retirement and continue working until the member is unable to work.

Specifically, this measure:

- (1) Requires the ERS medical board to render a decision on whether the member suffers from an incurable debilitating disease within thirty days of the receipt of the member's application for ordinary disability retirement;
- (2) Requires the ERS board to render a decision on the member's application for ordinary disability retirement within thirty days of receipt of the medical board's determination of eligibility for ordinary disability retirement; and
- (3) Establishes a definition for the term "incurable debilitating disease."

Testimony in support of this measure was submitted by the Employees Association of the City and County of Honolulu; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State Teachers Association; and four individuals. Comments on the measure were also submitted by the Employees' Retirement System (ERS).

Your Committee finds that, under the current law, a member of the ERS can only qualify for ordinary disability retirement upon certification by the ERS medical board that the member is permanently mentally or physically incapacitated for the further performance of duty and should be retired. However, your Committee further finds that some ERS members suffer from incurable debilitating diseases that have not yet progressed to the point where the members are unable to continue working. This measure will allow members suffering from incurable debilitating diseases to be able to qualify for ordinary disability retirement and still continue to work until they are physically or mentally unable to do so. Your Committee determines that this change will streamline the process by removing the requirement of members to make multiple filings for ordinary disability retirement when they are already hampered by their condition as well as financial and other restraints.

Your Committee has amended this measure by making technical, nonsubstantive amendments to correct terminology to conform to the language of the Hawaii Revised Statutes and to provide further clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2327 (Majority) Labor on S.B. No. 3013

The purpose of this measure is to require the employer of an injured employee who is cleared to return to light or reduced work duty to provide the level of work that the injured employee is cleared to perform.

Testimony in support of this measure was submitted by the Department of Human Resources Development; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii Chapter, American Physical Therapy Association; the Hawaii State Chiropractic Association; and the Hawaii State Teachers Association.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the ILWU Local 142, the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, the Retail Merchants of Hawaii, and the Society for Human Resource Management – Hawaii Chapter. Comments on this measure were also submitted by the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that a key objective of the workers' compensation system is to assist an injured employee in returning to work as quickly and safely as possible. Your Committee further finds that often an injured employee is medically cleared to resume work in a reduced duty or light work capacity; however, the employer is unwilling to provide the opportunity for the injured employee to perform work at this level. Your Committee understands that the reluctance of many employers to provide light or reduced work opportunities to an injured employee may be based upon the concern that the employer must then resume paying the injured worker's salary, rather than allow the injured employee to continue to receive benefits from the insurer. An injured employee who returns to work as quickly as possible is more likely to regain full employment status and less likely to progress to a permanently disabled status. Your Committee determines that assisting the injured employee in returning to work at the earliest possible time is in the best interest of the State, the insurer, the employer, and the injured employee.

The testimony submitted did raise legitimate concerns about the measure forcing an employer to "make work" to comply with the law, and the present language may also create conflicts if different medical providers have different views on the employee's ability to perform light, part-time, or restricted work. Your Committee feels that further discussion is appropriate on these points and passes the measure out for consideration by the Committee on Ways and Means where the concerns can be examined further.

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

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3013, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2328 Labor on S.B. No. 2208

The purpose of this measure is to require a private employer who provides a pension plan to employees to allow an employee who has vested in the pension plan to receive pension payments upon becoming disabled, regardless of age.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition to this measure was submitted by the Society for Human Resource Management – Hawaii Chapter.

Your Committee finds that an employee who has not yet reached the age of retirement, but becomes physically or mentally disabled, is left with few options for economic survival. The disabled employee will most likely cease working and is forced to find the means for financial and medical support. Your Committee believes that if the disabled employee has become vested in the employer's pension plan, that the disabled employee should be allowed to immediately receive a pension, regardless of the disabled employee's age. This benefit will provide financial support to the disabled employee and ensure that the disabled employee will not unnecessarily drain the state's resources.

Your Committee understands that there are concerns regarding the preemption of this measure by the Employee Retirement Income Security Act of 1974, as amended. Accordingly, your Committee has requested an opinion on the matter from the Attorney General to ascertain the propriety of the proposed law or how the intent of the measure might be otherwise accomplished. Thus, your Committee believes that this measure should continue to progress throughout the session as these issues continue to be explored.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2208 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2329 (Joint) Labor and Transportation and Government Operations on S.B. No. 2302

The purpose of this measure is to increase the salary of the Vice Director of State Civil Defense to an amount within the range of the pay table for the current federal general schedule-15 level or the grade of a colonel.

This measure also appropriate funds for the salary increase for the Vice Director of State Civil Defense for fiscal year 2006-2007.

Testimony in support of this measure was submitted by the Department of Defense.

Your Committees find that in 2004 the Executive Salary Commission adjusted the salary levels for deputy directors within the State. However, the salary level for the Vice Director of State Civil Defense was established by statute and beyond the review of the Executive Salary Commission. Subsequently, pursuant to Act 226, Session Laws of Hawaii 2005, the Legislature statutorily amended the Vice Director's salary to an amount not to exceed eighty-seven percent of the salary of the Director of Human Resources Development. Your Committees further find that this salary is highly deficient, based on the department's increased duties resulting from its homeland security and defense mission and the development of contingency plans for protection of critical infrastructure and disaster response. Therefore, your Committees determine that the salary of the Vice Director should be made equivalent to that of an individual at the federal general schedule-15 and colonel levels to be commensurate with the responsibilities, experience, and qualifications necessary for the position.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2302 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Ihara, Menor).

SCRep. 2330 (Joint) Labor and Transportation and Government Operations on S.B. No. 2303

The purpose of this measure is to increase the salary of the Director of the Office of Veterans' Services to an amount equal to seventy-four percent of the salary of the Director of Human Resources Development.

This measure also appropriates funds for the salary increase for fiscal year 2006-2007.

Testimony in support of this measure was submitted by the Department of Defense, the Advisory Board on Veterans Services, and the Oahu Veterans Council.

Your Committees find that in 2004 the Executive Salary Commission adjusted the salary levels for deputy directors within the State. However, although the salary level for the Director of the Office of Veterans' Services had not been adjusted for more than a decade, it was established by statute and beyond the review of the Executive Salary Commission. Subsequently, pursuant to Act 226, Session Laws of Hawaii 2005, the Legislature statutorily amended the Director's salary to an amount not to exceed sixty-nine percent of the salary of the Director of Human Resources Development. However, the salary of the Director is currently exceeded by the salary of one of the Director's subordinates, as other employees of the Office of Veterans' Services subordinate to the Director have been receiving periodic pay increases over the years. Your Committees further find that the duties of the Director have and will continue to increase, particularly with the increasing number of veterans as personnel continue to return from tours in Iraq. Accordingly, the salary of the Director should be increased to be the highest salary within the office, as well as reflective of the responsibilities, experience, and qualifications necessary for the position.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2303 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Ihara, Menor).

SCRep. 2331 Education and Military Affairs on S.B. No. 2032

The purpose of this measure is to establish the Office of School Redesign as part of the Department of Education and to appropriate \$500,000 for the Office of School Redesign.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Office of School Redesign, and the Hawaii Educational Policy Center.

Your Committee finds that there is a direct connection between school size and how student view their learning experience. Small learning communities can be designed to help students feel that they are part of a defined group, that they are connected to caring and supportive adults, and that their individual learning styles are being addressed. This measure will create the Office of School Redesign which will provide technical support to public high schools and help develop and implement small learning communities within large high schools throughout the State.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2032 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2332 Education and Military Affairs on S.B. No. 2075

The purpose of this measure is to appropriate moneys to Campbell High School for an electrical overhaul and an air conditioning system.

Your Committee received testimony in support of this measure from Campbell High School and thirty-five individuals.

Your Committee finds that the department's remaining electrical overhaul projects is projected at \$19,000,000 over two years, and that this measure's appropriation shall not cover the entire amount for the two year period. Your Committee further finds that the successful completion of these projects is badly needed by students and department employees alike, and the educational process is impeded by the continued delay.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2333 Education and Military Affairs on S.B. No. 3059

The purpose of this measure is to establish and maintain a model curriculum for teachers to implement to meet the Hawaii performance standards as required by the federal No Child Left Behind Act.

Your Committee received testimony in support of the intent of this measure from the Department of Education. Comments in opposition to this measure were received from the Charter School Administrative Office, the Hawaii Educational Policy Center, the Office of Hawaiian Affairs, and The League of Women Voters of Hawaii.

Your Committee finds that the goal of this measure is to provide a model curriculum, not necessarily for the department to implement universally, but to give teachers or school administrators a framework to use as a guide. The model curriculum covers specific subject areas to demonstrate where partnerships may develop in the public-private arena, and across disciplines, to meet students' varied needs. An alternative bill which sought to implement a statewide curriculum based solely on the "Core Knowledge" program (S.B. 2497), was deferred this session so that this more inclusive measure could go forward.

Your Committee has amended this measure by omitting reference to a "standardized statewide" curriculum and department implementation of the curriculum, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3059, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2334 Transportation and Government Operations on S.B. No. 2662

The purpose of this measure is to provide temporary relief from lease and permit requirements for airport vendors who want to make improvements.

Your Committee received testimony in support of this measure from the Department of Transportation, HMSHost, and the Legislative Committee for the Airports Concessionaires Committee. Testimony in opposition was received from Hawaii Pacific Wings.

Many airport concessions are in need of improvements, but a number of airport concessions have complained that, given stringent accounting rules, they cannot make necessary improvements to their concessions due to the very short, or no, remaining term on their concession leases that prevent them from amortizing further improvements. Over twenty airport concessions now experience this problem. As a result, improvements that the airports and various concessionaires would like to see are simply not happening. Hawaii's airports would have a better overall appearance and potentially enhanced revenues to the department of transportation if improvements could be made.

Your Committee finds that while the economy has now improved, it will take two to three years to put these twenty or more concessions out to bid. Rather than have some of these concessions forego necessary improvements for two to three more years, it would be beneficial to both concessionaires and the airports if some of the concession leases could be extended on a short-term basis to allow for some improvements. These improvements would improve the overall appearance of the airports and make the concessions more attractive to customers.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2662 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2335 (Joint) Health and Intergovernmental Affairs on S.B. No. 2409

The purpose of this measure is to make an appropriation for the County of Hawaii community anti-drug fund for expenditure on drug and substance abuse efforts.

Your Committees received testimony in support of this measure from the Executive Assistant of Hawaii County.

Your Committees find that drug abuse, and particularly the use of crystal methamphetamine, or "ice," is the greatest threat to a community's health and public safety on the island of Hawaii. Grass roots community involvement is a necessary element in combating this plague on the island of Hawaii.

Your Committees further find that, on the Big Island:

- (1) There is an epidemic of crystal meth (ice) and heroin abuse;
- (2) Ice addiction has emerged as an enormous social, health, law enforcement, and public safety issue;
- (3) In 2004, approximately eighty-two percent of traffic deaths involved people driving under the influence of drugs or alcohol, or both; and
- (4) Family violence caused by the use of ice has reached epidemic proportions, resulting in child abandonment and abuse.

The County of Hawaii has established the community anti-drug fund and implemented various drug and substance abuse services and programs, such as the "healing our island fund," which is based on the community anti-drug fund. The healing our island fund was established two years ago and thus far one hundred thirty community groups have received grants to address drug and other substance abuse services and programs.

The efforts funded from the community anti-drug fund have been very well-received in the community for the past two years. Its purpose, to provide support to grass roots and community-based anti-drug efforts, has encouraged a number of communities to collaborate and cooperate in prevention efforts to address substance abuse issues.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2409 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2336 (Joint) Transportation and Government Operations and Commerce, Consumer Protection and Housing on S.B. No. 2288

The purpose of this measure is to enhance natural disaster preparedness by, among other things:

- (1) Creating a civil defense disaster preparedness special fund to expend moneys on constructing public shelters and furnishing early warning systems, among other things;
- (2) Allowing moneys in the hurricane reserve fund to be used for the same purposes as the Hawaii hurricane relief fund;
- (3) Requiring moneys in the Hawaii hurricane relief fund, prior to its dissolution, to be deposited into the civil defense disaster preparedness fund after a deposit of \$2,000,000 of the annual net investment income for the current fiscal biennium is deposited into the loss mitigation grant fund; and
- (4) Repealing the appropriations under Act 5, Special Session Laws of Hawaii 2005, of \$2,000,000 for FY 2006-2007 from the hurricane reserve trust fund for tsunami and hurricane preparedness efforts, and the appropriation of \$2,000,000 for FY 2006-2007 for deposit into the loss mitigation grant fund.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Accounting and General Services, State Civil Defense, Structural Engineers Association of Hawaii, Hawaii Association of Realtors, Hawaii Lumber Products Association, and one individual.

Your Committees find that funding for disaster preparedness requires a dedicated source of funding, rather than constant general appropriation funding. The Hawaii hurricane reserve trust fund is an ideal source of funding for disaster preparedness.

This measure also creates a civil defense disaster preparedness special fund to be used by the State Department of Defense to construct, improve, and retrofit buildings that can serve as public shelters, purchase or improve early warning systems, conduct public education programs on disaster preparedness, promote loss mitigation efforts, provide around the clock alert staff, update evacuation maps in phone books, develop statewide residential safe room design standards, fund major disaster and emergency response programs, establish and maintain emergency supplies, and improve disaster readiness.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and

purpose of S.B. No. 2288, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2288, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

SCRep. 2337 (Joint) Transportation and Government Operations and Commerce, Consumer Protection and Housing on S.B. No. 2458

The purpose of this measure is to reduce the \$3 per day rental motor vehicle surcharge tax to \$2 per day.

Your Committees received testimony in support of this measure from Catrala-Hawaii. Testimony in opposition was received from the Department of Taxation and Department of Transportation. Comments were received from the Tax Foundation of Hawaii.

Enacted by Act 263, Session Laws of Hawaii 1991, the rental motor vehicle surcharge tax was originally \$2 per day. Act 223, Session Laws of Hawaii 1999, temporarily raised this tax to \$3 per day for the period from September 1, 1999, to August 31, 2007. Your Committees are concerned that the \$3 daily surcharge tax on rental motor vehicles could adversely affect Hawaii's competitive image as a fair and attractive tourist destination.

Your Committees find that there was a significant increase in revenues to the state general fund in 2005. This increase is expected to continue through 2007 and probably longer in view of Hawaii's positive tourism outlook. In light of a healthy general fund along with significant increases in revenues to the state highway fund, your Committees believe that it is fair and appropriate to reduce the rental motor vehicle surcharge tax.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2458 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

SCRep. 2338 (Joint) Commerce, Consumer Protection and Housing and Human Services on S.B. No. 2332

The purposes of this measure are to:

- (1) Amend the definition of "public housing project" for purposes of evictions from federal public housing; and
- (2) Amend references to the time period in which a public housing tenant has to request a grievance hearing in the written notice of eviction, to conform to the recently amended grievance procedure rules.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii and the Department of the Attorney General, with recommended amendments.

Your Committees find that this measure is required to remove obsolete statutory references that are to be repealed pursuant to Act 196, Session Laws of Hawaii 2005, and to limit applicability of the statutory eviction process to federal public housing.

Your Committees have amended the measure to:

- (1) Amend the definition of "tenant" in section 201G-51, Hawaii Revised Statutes, for purposes of evictions from federal public housing;
- (2) Limit the exclusion of residence or occupancy in a public housing project or complex from chapter 521, Hawaii Revised Statutes (residential landlord-tenant code), to evictions from federal public housing;
- (3) Substitute "business days" for "days" throughout the measure; and
- (4) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2332, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2332, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Ihara, Kokubun, Sakamoto).

SCRep. 2339 (Joint) Commerce, Consumer Protection and Housing and Transportation and Government Operations on S.B. No. 3069

The purpose of this measure is to establish an income tax deduction for qualifying costs of automatic fire sprinkler systems installed and placed into service after December 31, 2006 by:

- (1) Owners of single-family residences;
- (2) Owner-occupants of residential condominium or cooperative housing units; and
- (3) An association of apartment owners of a residential or mixed use condominium or the cooperative housing corporation of residential cooperative housing.

Your Committees received testimony in support of this measure from State Fire Council, Hawaii Council of Associations of Apartment Owners, and Hawaii Independent Condominium & Cooperative Owners. Comments were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that effective fire prevention depends to a large extent on the existence of automatic fire sprinkler systems, particularly in high rise dwellings. However, the costs are prohibitively expensive. An income tax benefit would be a strong incentive to install sprinkler systems.

Your Committees believe this measure could save lives and reduce property destruction. A tax benefit is a small price for the state to pay to subsidize the installment of automatic fire sprinkler systems.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3069 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

SCRep. 2340 Commerce, Consumer Protection and Housing on S.B. No. 2278

The purpose of this measure is to reduce regulatory burdens by comprehensively amending and updating Chapter 412, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Commissioner of Financial Institutions and Hawaii Bankers Association.

Chapter 412, Hawaii Revised Statutes, the Code of Financial Institutions, has not been comprehensively reviewed since its enactment in 1993. Your Committee finds that the proposed amendments will reduce regulatory burdens, update the Code of Financial Institutions to recognize industry changes, provide more flexibility in supervising and regulating the industry, and ensure adequate protection for the consumer.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2341 Education and Military Affairs on S.B. No. 2649

The purpose of this measure is to authorize the issuance of general obligation bonds to contribute to the funding of a new Pearl Harbor memorial museum and visitor center.

Testimony in support of this measure was submitted by the Advisory Board on Veterans Services, the Office of Veterans Services, Oahu Veterans Council, the Disabled American Veterans, and one individual.

Your Committee finds that the Pearl Harbor memorial museum and visitor center is steeped in historical significance and continues to be a leading tourist attraction in Hawaii, and remains a significant contributor to the ongoing economic health of the State. The current facility that houses the museum and visitor center is overcrowded and structurally unsound. This measure would authorize the issuance of general obligation bonds to contribute to the construction of a new museum and visitor center.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2649, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2342 (Joint) Education and Military Affairs and Labor on S.B. No. 2652

The purpose of this measure is to preserve the rights and benefits of the civil service employees of new century conversion charter schools by permitting them to retain their civil service status in the department of education human resources civil service system.

Your Committees received testimony in support of this measure from Waimea Middle School and Ho'okako'o Corporation. Comments in support of the intent of this measure were received from the Departments of Education and Human Resources Development, the Charter School Administrative Office, and the Hawaii Government Employees Association. Your Committees received comments from the Board of Education.

Your Committees find that preserving the civil service status of charter school employees is an important step in supporting education and charter schools.

Your Committees have amended this measure by including language suggested by the Hawaii Government Employees Association, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2652, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2652, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Hooser, Ihara).

SCRep. 2343 (Joint/Majority) Education and Military Affairs and Higher Education on S.B. No. 2956

The purpose of this measure is to facilitate the construction of new schools by:

- (1) Creating a new school construction special fund to make lease-back payments for new schools constructed with financing agreements;
- (2) Authorizing the Department of Education (DOE) to enter into financing agreements; and
- (3) Making appropriations for repair and maintenance of facilities of the DOE and the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawaii, DOE, and one individual.

Your Committees find that there is a continuing backlog of repair and maintenance projects for Hawaii's public schools. In 2001, the Hawaii Opinion Poll on Public Education found that rundown, poorly kept, or inadequate facilities ranked third in the ten biggest problems facing our schools. Student leaders at the 2005 Hawaii Secondary Student Conference passed a resolution supporting the expenditure of funds to relieve the backlog.

The condition of our schools increasingly depends on the availability of funds and effective management of facility needs. It is equally important that our schools be provided with sufficient funds for their operations, which also directly affect student achievement.

Your Committees are committed to improving the quality of education in Hawaii. The first place to start is by ensuring that school facilities are adequate and safe, which requires continuous maintenance and repair. This measure would expedite the DOE's backlog of school maintenance and repairs.

Your Committees have amended this measure by:

- (1) Deleting the appropriations in part III to the University of Hawaii;
- (2) Adding a provision that new school construction financed with moneys from the new school construction special fund shall meet energy-efficient standards; and
- (3) Providing for a \$60,000,000 general fund appropriation to the DOE for maintenance and repairs, and \$92,000,000 from general obligation bonds for capital improvement projects.

Your Committees further find that the University of Hawaii may seek an appropriation to restore appropriations removed from this measure.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2956, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Trimble). Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2344 (Joint) Education and Military Affairs and Higher Education on S.B. No. 2980

The purpose of this measure is to appropriate funds to increase the number of public high schools participating in the Construction Academy training program, to allow high school students to take classes in various construction trades and earn credit towards an associate degree at an affiliated community college.

Your Committees received testimony in support of this measure from the University of Hawaii, the Department of Education, the Construction Academy, and Hawaii Business Roundtable.

Your Committees find that the State of Hawaii is currently experiencing an estimated \$10,000,000,000 boom in new construction that has created a critical shortage of qualified workers in the trades. Over the next several years, projections show that Hawaii will need between 10,000 and 26,000 more construction workers to meet industry demand. Moreover, some believe the labor shortage will only become more severe nationwide as the need for skilled workers increases on the hurricane-ravaged Gulf Coast and in regions with housing booms. Officials at organizations representing the construction trades note that the U.S. Bureau of Labor Statistics estimates that the industry will need to add 100,000 jobs each year through 2012, while also filling an additional 90,000 openings vacated largely by retiring baby boomers.

Honolulu Community College and the Department of Education launched the Construction Academy in the fall of 2005 in partnership with eight Hawaii public high schools: Kailua, Radford, Waipahu, Mililani, Kahuku, McKinley, Pearl City, and Waialua. The program allows high school students to take classes in various construction trades at their respective high schools, and at the same time to earn credits towards an associate degree at an affiliated community college.

The first graduating class in 2005 generated such excitement and promise on the high school campuses that the Construction Academy organizers hope to expand the program to include other public high schools and community colleges, particularly on the neighbor islands. The purpose of the Construction Academy is to develop interest in the industry and to build a foundation of general construction skills that prepares students for more in-depth professional trades training.

Your Committees have amended this measure by:

- (1) Clarifying the language in the purpose section to more accurately depict the Construction Academy and the apprenticeship program;
- (2) Providing an appropriation of \$5,500,000 to expand the existing Construction Academy program from eight to twenty-six public high schools, and to expand the apprenticeship training programs at Honolulu, Hawaii, Maui, and Kauai community colleges; and
- (3) Adding an effective date of upon approval for the purpose section.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2980, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2980, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2345 (Majority) Higher Education on S.B. No. 3124

The purpose of this measure is to amend the law on the University of Hawaii (UH) Board of Regents (Board) to:

- (1) Change Board membership by increasing the number of Board members from 12 to 15;
- (2) Require a specified number of Board members to represent each county; and
- (3) Establish that Board members shall serve no more than two consecutive five-year terms.

Your Committee finds that this measure would increase the geographic representation of members of the Board from specific counties. Under current law, the provision for representation from geographic areas has caused an imbalance in representation. Furthermore, current law provides for representation from a particular party, which may not necessarily be advantageous to obtain balanced viewpoints.

Your Committee further finds that limiting the term of service on the Board to two consecutive five-year terms would allow for an infusion of new members to reinvigorate the Board.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3124 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Baker, Chun Oakland).

SCRep. 2346 Higher Education on S.B. No. 3121

The purpose of this measure is to establish a Hawaii state scholars program at the University of Hawaii and to make an appropriation for the program.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that the Hawaii state scholars program would recognize, reward, and provide an academic incentive to students who have achieved excellence in academic achievement in high school. The targeted population of students has achieved a grade point average of 4.0 and has scored in the top ten percent on the SAT or ACT, without regard to financial need.

Your Committee further finds that mainland public universities provide similar scholarships for academically outstanding high school students. This measure provides a scholarship that may be more easily administered for some purposes than a tuition waiver, according to testimony of the University of Hawaii.

Your Committee has amended this measure by making clarifying changes to the language which do not affect the intent or meaning.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3121, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 2347 Higher Education on S.B. No. 3120

The purpose of this measure is to increase the amount of general fund appropriations to the University of Hawaii systemwide previously appropriated for the B Plus scholarship program, and to clarify the income guidelines.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that the UH should increase its efforts to improve access to higher education by providing need-based aid for Hawaii residents. With the increases in tuition at University of Hawaii, your Committee is concerned that increasing numbers of students will find higher education to be unaffordable. As a public institution supported by public funds, a University of Hawaii education must not become the privilege of a select few. Your Committee notes that some public universities in other states provide for free tuition for residents as an incentive to obtain a college degree. The overall effect of this policy is to raise the quality of a state's workforce, and thus positively impact economic development.

Your Committee has amended this measure on the recommendation of the University of Hawaii to clarify the language on need-based aid.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3120, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 2348 Higher Education on S.B. No. 3118

The purpose of this measure is to authorize the University of Hawaii research and training revolving fund to be used for repair and replacement of research related equipment and facilities instead of being deposited into other funds for different uses.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that the research and training revolving fund was established in 1974 to pay for research and training activities at the University. The state auditor, in a 2004 report (04-13), found that the research and training revolving fund "does not meet all criteria for a revolving fund." The legislature found that the University of Hawaii's corrective action to the auditor's finding was to reclassify the research and training revolving fund as a special fund. However, pursuant to statute, moneys from the fund were deposited from the fund into the discoveries and inventions revolving fund and the University of Hawaii housing assistance revolving fund.

Your Committee further finds that the University of Hawaii needs to invest more in repair and maintenance of research equipment and facilities in order to achieve preeminence as a top research university. The legislature believes that the current unfunded deferred maintenance backlog of \$175,000,000 as well as other equipment repair and replacement needs that are related to research activities will benefit by maintaining all indirect costs recovered in the research and training fund. The legislature believes the research and training revolving fund should be reclassified as a special fund and that all of its funds should be reinvested in the research infrastructure.

Your Committee has amended this measure by changing the research and training revolving fund into a special fund.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3118, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 2349 (Joint) Higher Education and Education and Military Affairs on S.B. No. 2883

The purpose of this measure is to authorize the University of Hawaii (UH) Board of Regents to provide tuition waivers or reductions to members of the National Guard or the military reserves in Hawaii, active duty military personnel stationed in Hawaii, and their dependents.

Your Committees received testimony in support of this measure from the UH, the State Department of Defense, and the Hawaii National Guard Enlisted Association.

Your Committees find that with the uncertainties in the world today, the Hawaii National Guard must maintain its personnel strength to protect our home front while continuing to support our nation's war on terrorism. This measure is a means of easing life for national guard troops and rewarding them for their heroism. As a side benefit, this measure also serves as a valuable recruitment tool and an incentive to retain soldiers and airmen in the national guard.

Your Committees have amended this measure to:

- (1) Remove the tuition waiver and reduction language and instead provide that the Board of Regents may charge resident tuition fees for members of the Hawaii National Guard and their authorized dependents, without regard to their state of legal residence; and
- (2) Change the effective date to July 1, 2050, to continue discussions on this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2883, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2883, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2350 (Joint/Majority) Higher Education and Water, Land, and Agriculture on S.B. No. 3087

The purpose of this measure is to make an appropriation for job training in natural resources management under the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawaii and the Nature Conservancy.

Traditional job training programs do not currently offer training in skills specific for employment in natural resources management. However, a market exists for experienced natural resources workers both at the entry level, as field workers, and at the experienced level, as field supervisors.

Your Committees find that when organizations such as the Invasive Species Committees in Hawaii advertises for field staff, the pool of qualified applicants is very small. The introduction of job training programs in natural resources management could provide necessary training in global positioning systems, global information system databases, and plant recognition to attract more qualified applicants. Numerous established organizations in the for-profit and non-profit sectors could serve as potential employers for interns. Many of these organizations conducting natural resources work are small and would benefit greatly from the additional support a paid intern could provide.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to continue the discussions on this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3087, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Trimble). Excused, 1 (Fukunaga).

SCRep. 2351 (Joint) Water, Land, and Agriculture and Commerce, Consumer Protection and Housing on S.B. No. 3002

The purpose of this measure is to implement the recommendations of the Joint Legislative Housing and Homeless Task Force with regard to identifying available land for affordable housing.

Testimony in support of this measure was submitted by the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Office of Planning. Comments were submitted by the Legislative Reference Bureau (LRB).

Your Committees find that the Senate and the House of Representatives of the Twenty-Third Legislature of the State of Hawaii established the Joint Legislative Housing and Homeless Task Force to further identify near-term solutions to Hawaii's affordable housing and homeless problem. The task force issued its report with its findings and recommendations in January 2006. This measure implements some of the task force's specific recommendations by:

- (1) Requesting a study to identify available land for affordable housing; and
- (2) Requesting the preparation of a plan for retaining subsidized affordable units eligible for conversion to market-priced housing.

Your Committees have amended this measure by:

- (1) Deleting the provisions that requests the Office of Planning to identify available land for affordable housing;
- (2) Clarifying that LRB will prepare a "study" rather than a "plan";
- (3) Clarifying that the LRB study will be limited to state affordable housing projects;
- (4) Providing that the Housing Community Development Corporation of Hawaii (HCDCH) and the Department of Human Services (DHS) will provide LRB with specific affordable housing information by May 31, 2006;
- (5) Providing that HCDCH, the Public Housing Administration, and DHS will assist LRB with preparing the cost estimate for retaining the affordable housing projects;
- (6) Deleting the appropriation to the Department of Business, Economic Development and Tourism for the study to identify available lands; and
- (7) Making technical, nonsubstantive changes for clarity and formatting.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3002, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3002, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 2352 Water, Land, and Agriculture on S.B. No. 2495

The purpose of this measure is to make an appropriation for plugging and abandoning the exploratory geothermal well in Wao Kele O Puna.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the Trust for Public Land. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources (DLNR).

From testimony, your Committee finds that there are two exploratory geothermal wells in Wao Kele O Puna currently topped with metal caps. However, the wells, approximately 6,500 feet deep, are otherwise open and in danger of emitting gasses, endangering natural and cultural resources in the area. This measure appropriates funds to plug and abandon the wells to help mitigate the wells' potential hazards.

Your Committee has amended this measure by inserting "\$1,300,000" into the appropriation provision and specifying that the appropriation is for the plugging and abandoning of both wells in Wao Kele O Puna.

Your Committee noted testimony for DLNR requesting that the appropriation be made from the general fund rather than the special land fund; however, your Committee will defer to your Committee on Ways and Means to determine which funding source is appropriate.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 2353 Water, Land, and Agriculture on S.B. No. 2482

The purpose of this measure is to appropriate funds to create a master plan for a one hundred and fifty-acre parcel of land in Royal Kunia on the island of Oahu.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Farm Bureau Federation, and the Hawaii Agriculture Research Center.

Your Committee finds that a one hundred and fifty acre parcel of land in Kunia was donated to the State pursuant to an agreement between the Land Use Commission, the developer, and the landowner in exchange for the reclassification of the former Oahu Sugar Plantation lands for urban use. Your Committee further finds that the donated land is to be used as a buffer between mauka agricultural uses and makai urban uses in order to stop the advancement of residential properties in the Pearl Harbor Saddle area. Your Committee determines that a master plan for the land is necessary in order to maximize the utilization of the land as an agricultural park, including by subdividing the land, creating farming opportunities, and ensuring that the necessary infrastructure is established.

Accordingly, your Committee has amended this measure by:

- (1) Removing the \$250,000 appropriation amount;
- (2) Inserting a blank appropriation amount to allow further discussion and clarification on the amount of funds necessary for the creation of the master plan; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

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

Signed by the Chair on behalf of the Committee.
Ayes 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2354 Water, Land, and Agriculture on S.B. No. 3085

The purpose of this measure is to appropriate funds for drought mitigation projects in each county for fiscal year 2006-2007.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources (DLNR), the Hawaii Farm Bureau Federation, Kaupo Ranch, Ltd., C&H Farms, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association. Testimony in opposition to this measure was submitted by the Sierra Club, Hawaii Chapter.

Your Committee finds that a thriving agriculture industry is dependent upon a steady and reliable water supply. Drought conditions throughout the State have decreased production on farms and ranches, thus restricting the ability to consistently produce quality products throughout the year. Your Committee further finds that, in 2004, county drought committees were formed, each developing a drought mitigation strategy for its respective county with a focus on drought mitigation projects. These strategies are incorporated by reference in the Hawaii drought plan and require funding for their implementation.

Your Committee believes that implementation of the Hawaii drought plan is necessary in attempting to address the adverse effects of droughts and in developing coordinated emergency response mechanisms, while also outlining steps to mitigate the effects of future droughts.

Accordingly, your Committee has amended this measure by:

- (1) Removing the \$4,000,000 appropriation amount;
- (2) Inserting a blank appropriation amount to allow for further discussion and clarification on the actual amount necessary for the projects; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3085, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2355 Water, Land, and Agriculture on S.B. No. 2492

The purpose of this measure is to add to the crime of criminal property damage to agricultural and aquacultural equipment and supplies.

Testimony in support of this measure was submitted by the Department of Agriculture; the Mayor of the City and County of Honolulu; the City and County of Honolulu's Department of the Prosecuting Attorney; Alexander and Baldwin, Inc.; the Hawaii Agriculture Research Center; the Hawaii Aquaculture Association; the Hawaii Crop Improvement Association; the Hawaii Farm Bureau Federation; the Maui Farm Bureau; and twenty individuals.

Given the pervasive and significant problems with agricultural vandalism and theft in our State, your Committee finds that increasing the penalties for criminal property damage offenses is consistent with the great impact that these crimes have on Hawaii's agricultural industry and the ability of individual farmers and ranchers to earn a living. This measure strengthens the penalties for criminal property damage by recognizing the actual loss of agricultural and aquacultural property suffered by farmers and ranchers as a result of the criminal actions, and imposes the appropriate penalties.

Your Committee has amended this measure by making technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2492, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2356 Water, Land, and Agriculture on S.B. No. 2478

The purpose of this measure is to appropriate funds for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Testimony in support of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, C&H Farms, Pioneer Hi-Bred International, Inc., the Hawaii Agriculture Research Center, Alexander & Baldwin, Inc., the Kauai County Farm Bureau, Kaupo Ranch, Ltd., and forty-five individuals.

Your Committee finds that, although the agriculture industry plays a significant role in Hawaii's economy by providing a stage for tourism, employment opportunities for residents, and products for export, the demise of plantations has left the industry lagging. Your Committee further finds that the absence of pineapple and sugar plantations has resulted in thousands of acres lying fallow, while recent studies indicate that the land could be utilized for agricultural ventures to add an additional \$1.7 to \$4.4 billion to the State's economy.

Your Committee believes that a diversified agriculture industry within the State is necessary to maximize the opportunities available for prime agricultural farmlands, to strengthen and improve the agriculture industry, to revitalize the economy, and to expand employment opportunities for our residents. Creating a more diversified agriculture industry requires the joint and concerted efforts of key organizations and entities throughout the State, as well as financial support from the State, to conduct agricultural research and market development. Your Committee determines that the Hawaii Farm Bureau Federation represents the interests of the agriculture industry in Hawaii and is an appropriate entity to oversee the research and market development necessary for improving Hawaii's agriculture industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2357 Water, Land, and Agriculture on S.B. No. 2360

The purpose of this measure is to allow the Department of Land and Natural Resources (DLNR) to take immediate action when a vessel is grounded on a coral reef or is in imminent danger of breaking up.

The measure also requires grounded vessels on sand or mud, not in imminent danger of breaking up, to be removed by the owner within seventy two hours, unless the department agrees to a longer period.

Testimony in support of this measure was submitted by DLNR, the Hawaii Boaters Political Action Association, the Sierra Club, and two individuals.

The current law does not allow DLNR to quickly respond to vessels grounded on coral reefs or in imminent danger of breaking up. Your Committee finds that even one tidal cycle can drive a boat hard aground and compound both the cost and damages to the environment. Further, many boat owners do not appreciate the extent of the problems that the tide and wind may cause or the ultimate consequences to the living structures on the coral reef. Thus, this measure allows DLNR to take immediate action when a vessel is grounded on a coral reef or is in imminent danger or breaking up.

Your Committee has amended this measure by:

- (1) Adding a "good samaritan" provision that exempts from liability persons who, in good faith, render assistance at the scene of a vessel grounded on a coral reef or in imminent danger of breaking up; and
- (2) Making extensive technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2360, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2358 (Joint/Majority) Water, Land, and Agriculture and Higher Education on S.B. No. 2216

The purpose of this measure is to require the Department of Land and Natural Resources (DLNR) to lease the Mauna Kea summit's lands at a reasonable rate that reflects the cultural value of the site.

Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs, Mauna Kea Anaina Hou, and one individual. Comments were also submitted by the Department of the Attorney General and DLNR.

Your Committees find that the Mauna Kea summit is a unique and invaluable asset to this State. It is home to many archaeological sites and many traditional cultural properties eligible for listing in the National Register of Historic Places.

However, your Committees further find that the lease agreement between DLNR and the University of Hawaii (UH), as well as the sublease agreements between UH and the individual astronomy institutions and universities, do not reflect the economic and cultural value of the site. Specifically, there are ten negotiated subleases between UH and various individual astronomy institutions and universities. Of these subleases:

- (1) Nine of them have a lease rent of \$1 per year and the tenth does not have a lease rent rate and is provided by UH at no cost; and
- (2) All of them were executed at different times; however, nine of the subleases are set to expire on December 31, 2033, and the tenth sublease expired in 2003 and has been automatically extended until December 31, 2033.

Your Committees have amended this measure by changing the lease rent requirement from "a reasonable rate" to "fair market value."

Your Committees noted testimony submitted by the Department of the Attorney General that expressed concerns over a portion of the measure, which provides requirements for leases made specifically for Mauna Kea summit lands. It is the Attorney General's opinion that this provision is in conflict with Article XI, Section 5 of the Hawaii State Constitution. However, your Committees find that the undervalued leases and subleases are a very important issue and merit further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2216, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2216, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Trimble). Excused, 1 (Fukunaga).

SCRep. 2359 Water, Land, and Agriculture on S.B. No. 2358

The purpose of this measure is to establish general administrative penalties for violations under chapter 183, Hawaii Revised Statutes, and to include fines for timber trespass.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Forest Industry Association, and the Nature Conservancy.

Your Committee finds that updating the penalty language for the forest reserves, water development, and zoning to make it comparable to other state parks and conservation district statutes is prudent. This measure:

- (1) Provides general administrative penalties; and
- (2) Increases criminal penalties for violations that occur within the forest reserve system.

Your Committee has amended this measure by:

- (1) Providing an exemption for native Hawaiian gathering rights and traditional cultural practices;
- (2) Requiring the Department of Land and Natural Resources to submit an annual report to the legislature outlining the revenues generated by the penalties; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2358, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as S.B. No. 2358, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2360 Water, Land, and Agriculture on S.B. No. 3084

The purpose of this measure is to amend the appraisal process for state acquisitions of real property.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR), the Hawaii Agriculture Research Center, the Hawaii Association of Realtors, the Hawaii Island Land Trust, the Maui Coastal Land Trust, the Nature Conservancy, and the Trust for Public Land.

The current law requires the State to obtain appraisals from three disinterested appraisers when the State acquires any private property. Your Committee finds that a more streamlined approach is warranted. This measure allows the State the flexibility to accept, under certain terms, existing appraisals instead of contracting for new appraisals.

Your Committee has amended this measure by:

- (1) Allowing the Attorney General to review, approve, and accept existing appraisals;
- (2) Requiring that only appraisals performed within six months of the Board of Land and Natural Resources' decision to acquire the land may be considered;
- (3) Allowing the Attorney General to contract for independent appraisals;
- (4) Limiting the new provisions to acquisitions pursuant to chapter 173A; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2361 Transportation and Government Operations on S.B. No. 2569

The purpose of this measure is to enact the Emergency Management Assistance Compact (EMAC).

Your Committee received testimony in support of this measure from the State Department of Defense, Department of Human Resources Development, and one individual.

The EMAC provides mutual assistance between states in managing any emergency or disaster that is declared by the governor of a member state, including natural and man-made disasters, technological hazards, community disorder, and insurgency or enemy attack.

Your Committee believes that mutual assistance between states in times of emergency or disaster would benefit Hawaii, particularly because of the State's vulnerability to natural disasters and geographic isolation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2569 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2362 Transportation and Government Operations on S.B. No. 2768

The purpose of this measure is to exempt, from the general excise tax, use tax, and fuel taxes, the aviation fuel used in intrastate air transportation and transportation between the State and the mainland.

Your Committee received testimony in support of this measure from Hawaiian Airlines and Aloha Airlines. Testimony in opposition was received from the Department of Transportation. Comments were received from the Department of Taxation.

Your Committee finds that as an island state, air transportation is vital to the lives of Hawaii's resident population and the economic well-being of the State. Over the past few years, the passenger air carriers serving Hawaii have been impacted financially by the dramatic increases in jet fuel. This has caused bankruptcy and reorganization of inter-island carriers.

The single largest cost to the airlines is fuel, over which the airlines have no control, and there are no alternatives to jet fuel. According to testimony, every penny change in the price of fuel affects inter-island airlines by approximately \$1,000,000.

Your Committee was advised in testimony that the foreign trade zone tax exemption pursuant to section 212-8, Hawaii Revised Statutes, applies to interstate and foreign commerce and not to inter-island flights.

Your Committee believes the inter-island carriers need and deserve a reprieve from state taxes on fuel. However, your Committee is concerned that the tax savings will not necessarily be realized by residents in lower fares. Therefore, your Committee urges the airlines to accommodate residents by lowering air fares, which would also stimulate travel.

Your Committee has amended this measure upon the recommendation of Aloha and Hawaiian Airlines to clarify the exemption language and to delete the fuel tax exemption and references to travel between Hawaii and the U.S. mainland.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, 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. 2768, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2363 (Joint) Health and Human Services on S.B. No. 3257

The purpose of this measure is to require the licensing of home care agencies.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii. Comments were received from the Department of Health (DOH).

This measure defines a home health care agency as any organization that provides home care services to clients in the client's home. With the aging of the population and the preference to age in place, home health care agencies are an important component in the continuum of health care provision. Your Committees find that home health care agencies should be licensed by the DOH to ensure that patients are safely and adequately cared for in their homes.

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. 3257 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2364 Media, Arts, Science and Technology on S.B. No. 3082

The purpose of this measure is to provide an income tax credit for a taxpayer who rehabilitates an historic property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Taxation, the Historic Hawaii Foundation, the Honolulu Culture & Arts District Association, the Honolulu Culture & Arts District of Chinatown, and three individuals. Comments were received from the Tax Foundation of Hawaii.

According to the Department of Taxation, the estimated revenue loss pursuant to this measure would be approximately \$1,500,000 per year. The estimate is based on consultation with the Department of Land and Natural Resources.

The credit under this measure would be in an amount of twenty five per cent of qualified expenditures totaling more than \$10,000 incurred for the rehabilitation of historic property. Your Committee finds that there are many privately owned properties that qualify as historic properties or have been designated as such. Because of the age of these properties, rehabilitation is necessary to preserve the properties for the enjoyment of future generations.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara)

SCRep. 2365 Media, Arts, Science and Technology on S.B. No. 2672

The purpose of this measure is to appropriate funds for staff hires or contractors to develop prioritized inventories of cultural and historic sites and facilities eligible to be included on cultural or historic registers for preservation.

Your Committee received testimony in support of this measure from the Oahu Council of the Association of Hawaiian Civic Clubs, Malama Kukuioke, Hawaiian Island Productions, and one individual. Comments were received from the Department of Land and Natural Resources.

This measure would require the Department of Land and Natural Resources to collaborate with ethnic civic clubs throughout the State to develop an inventory of cultural or historic sites on public lands that are eligible for inclusion in the Hawaii register of historic places, and to prioritize them.

Your Committee finds that an inventory is necessary and would further the purpose of maintaining the Hawaii register of historic places. Section 6E-5.5(b)(6), Hawaii Revised Statutes, requires the historic places review board to maintain the Hawaii register of historic places and to review the state survey of historic properties undertaken pursuant to section 6E-3(3), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2672 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2366 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2228

The purpose of this measure is to create an affordable housing program for active full-time public school teachers to purchase an interest in residential properties.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association.

Your Committees find that there is a pressing need to provide housing assistance for the recruitment and retention of teachers in the Hawaii public school system.

Your Committees have amended this measure by making nonsubstantive, technical amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2228, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Baker, Ige).

SCRep. 2367 Education and Military Affairs on S.B. No. 2535

The purpose of this measure is to further amend an allocation made in 2003 to allow for expansion and renovation of the Pearl Ridge Elementary School cafeteria.

Your Committee received testimony in support of this measure from Pearl Ridge Elementary School, Pearl Ridge Elementary School Community Council, Pearl Ridge Elementary Parent Teacher Group, and four individuals.

Your Committee finds that the Pearl Ridge Elementary School cafeteria can accommodate only one-third of its student body and the school can hold no school-wide functions or activities.

Your Committee further found that this measure is not making an appropriation, but rather amending current law so that the school may be able to use moneys appropriated in a way that best suits its needs. This cafeteria construction project is but one of a high number of school repair and maintenance projects that require attention and a constant effort from many dedicated parties to see it completed.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2535, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2368 (Joint/Majority) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2708

The purpose of this measure is to enact a school impact fees law to require residential developments to pay school impact fees.

Your Committees received testimony in support of this measure from the Department of Education. Testimony in opposition was received from the Department of Budget and Finance. Comments were received from the Department of Business, Economic Development, and Tourism and the Land Use Foundation of Hawaii.

Your Committees find that new residential developments should pay school impact fees proportionate to their impacts, for the following reasons:

- (1) New residential developments create additional demand for public school facilities;

- (2) New residential developments should pay a school impact fee proportionate to their impact on the need to construct additional facilities; and
- (3) A study commissioned by the Department of Education and the Department of Accounting and General Services has identified the net capital cost of school facilities, excluding land costs, that is consistent with proportionate fair share principles.

Your Committees are mindful of the comments received in testimony to the effect that this measure may be premature. However, your Committees intend to continue the discussions on this measure in recognition of the importance of creating a school impact fees law. New communities understandably place a burden on resources to provide amenities such as schools. Impact fees should lessen that burden on the State. Your Committees believe that a mandatory school impact fee on developers, while increasing the costs of development, would make a development more attractive to homeowners, as residential developments often attract families with school age children.

Your Committees have amended this measure by changing the effective date to July 1, 2050 to continue the discussions.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2708, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Hogue). Excused, 2 (Baker, Ige).

SCRep. 2369 (Joint) Education and Military Affairs and Transportation and Government Operations on S.B. No. 2720

The purpose of this measure is to repeal the implementation of the recommendations of the interagency working group established pursuant to part VIII of Act 51, Session Laws of Hawaii 2004, with respect to the transfer of functions from different state departments to the Department of Education (DOE).

The measure also delays the transfer of school health aides and public health nurses for one year.

Your Committees received testimony in support of this measure from the Departments of the Attorney General, Budget and Finance, Education, Health, Human Services, and Human Resources Development; the Hawaii Government Employees Association; and the Hawaii Business Roundtable.

Your Committees find that the working group recommendations with respect to the transfer of functions from the Department of the Attorney General and Department of Human Services to the DOE should not be enacted at this time as they are unnecessary. There is no function to transfer to the Department of Human Services, and the interaction between the DOE and the other two agencies is being handled by a memorandum of understanding or other similar documents. Your Committees also find that additional time is necessary for the transfer of functions from the Department of Budget and Finance to the DOE, and the transfer of the school health aides and nurses to the DOE, to continue implementation discussions and ensure a smooth transition.

Your Committees have amended this measure by eliminating the repeal of the transfer of functions from the Department of Budget and Finance, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2720, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2720, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Hee, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2370 Education and Military Affairs on S.B. No. 2838

The purpose of this measure is to appropriate funds for the comprehensive school alienation program.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and eight individuals.

Your Committee finds that the comprehensive school alienation program plays an important role in Hawaii's secondary schools and many students have made significant social and academic gains thanks to the smaller class environment that the program provides. Your Committee also recognizes that it takes a certain individual with special skills to help Hawaii's high-risk students realize success in their lives.

Your Committee has amended this measure to eliminate the requirement that funds be used to fund an additional 163.5 FTE secondary school positions.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2371 Education and Military Affairs on S.B. No. 2971

The purpose of this measure is to establish a tax deduction for school-related expenses paid by an eligible educator.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments on the measure were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that although an amendment was suggested to conform this measure to the federal Working Families Tax Relief Act (Act) in effect until the end of 2005 with respect to the "grades kindergarten to twelve" language, the Act specifies merely "elementary and secondary school" educators, which has been interpreted at the federal and state levels to encompass kindergarten through twelfth grade. The Act is set to expire at the end of 2005, which makes the tax relief provided by this measure all the more needed and timely.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2971, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2372 (Joint) Education and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 3122

The purpose of this measure is to make appropriations in support of Hawaiian language immersion schools.

Your Committees received testimony in support of this measure from the Department of Education, Puohala Elementary School, and three private individuals.

Your Committees find that interest in Hawaiian language immersion schools continues to grow and there is a need for more instructional materials and support.

The measure is being amended to include the funds to support translation services for seventeen schools at a projected amount of \$5,000 per school, for a total of \$85,000. The measure was also amended to eliminate the provisions regarding English as a Second Language.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3122, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Ihara, Tsutsui, Hogue).

SCRep. 2373 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on S.B. No. 2047

The purpose of this measure is to extend the holding period from fifteen days to thirty days for items purchased by a pawnshop dealer in all counties.

Testimony in support of this measure was submitted by the Honolulu Police Department. No testimony in opposition to this measure was submitted.

Your Committees find that this measure will benefit the citizens of this State by allowing enforcement agencies to be more effective in recovering stolen property before destruction or resale of the property.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2047 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Inouye, Sakamoto).

SCRep. 2374 Commerce, Consumer Protection and Housing on S.B. No. 2279

The purpose of this measure is to repeal the existing law on mortgage brokers and solicitors and replace it with a statute providing more specialized regulation of these financial service providers.

Testimony in support of this measure was submitted by the Commissioner of Financial Institutions. Testimony in opposition to this measure was submitted by Primerica Financial Services Home Mortgages, Inc., Mortgage Bankers Association of Hawaii, Hawaii Association of Mortgage Brokers, and two interested individuals. Comments were also submitted by Hawaii Financial Services Association.

Your Committee finds that while specialized regulation is desirable, there continues to be debate on what that should entail. Your Committee feels that the affected parties should continue to dialogue on the areas of disagreement raised by this measure. Your Committee has amended the effective date of this measure from "July 1, 2007" to "July 1, 2050" to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2375 Commerce, Consumer Protection and Housing on S.B. No. 2282

The purpose of this measure is to update and streamline insurance statutes in conformity with federal law and national standards.

Testimony in support of this measure was submitted by the State Insurance Commission or on behalf of the Department of Commerce and Consumer Affairs and the National Association of Insurance and Financial Advisors Hawaii. Comments were submitted by Hawaii Medical Service Association, State Farm Insurance Companies, the Hawaii Insurers Council, and the American Council of Life Insurers.

Your Committee finds that this measure is part of the Department of Commerce and Consumer Protection's efforts to modernize Hawaii's insurance laws, ease insurer filing requirements, and bring Hawaii's insurance laws into conformity with federal law and national standards.

In response to comments from Hawaii Medical Service Association, State Farm Insurance Companies, and Hawaii Insurance Council, your Committee received proposed changes to this measure from the Insurance Commissioner. Your Committee adopted these proposed changes by amending the bill to:

- (1) Remove the requirement to provide additional information as required by the National Association of Insurance Commissioners in sections 431:3-212, 432:1-301(a), and 432D-2(c), Hawaii Revised Statutes, because this requirement is both burdensome and duplicative of existing statutory authority;
- (2) Clarify that following a catastrophe, a Hawaii license shall not be required of a "nonresident adjuster" instead of "nonresident independent adjuster" because this will enable insurers like State Farm companies to send their in-house teams of adjusters from around the nation to Hawaii in the event of a catastrophe;
- (3) Remove the requirement that an insurance producer notify the Insurance Division of a change in the producer's home phone number in sections 431:9-203 and 431:9A-107, Hawaii Revised Statutes, because of the potential burden on companies to provide new home phone numbers in the event of external forces such as a change in area code; and
- (4) Make technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2282, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2376 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 2209

The purpose of this measure is to require the Department of Labor and Industrial Relations (DLIR) to enforce the laws of chapter 104, Hawaii Revised Statutes (HRS), and to collect and maintain the certified copies of payrolls for any public work project subject to chapter 104, HRS, that was not directly built or developed by a governmental contracting agency.

Testimony in support of this measure was submitted by the IBEW Local 1186, IBEW Local 1260, and the Hawaii State AFL-CIO. Testimony in opposition to this measure was submitted by DLIR, the Department of Accounting and General Services, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that contractors on certain public work projects have been able to avoid compliance with prevailing wages laws, largely due to a lack of monitoring and enforcement. Your Committees further find that certain public work projects, including

those that are funded through the use of special purpose revenue bonds, lack an identifiable governmental contracting agency. Contractors on public work projects without a governmental contracting agency are able to avoid compliance with the law, as there is no entity to enforce or monitor compliance with chapter 104, Hawaii Revised Statutes. Your Committees believe that laborers on these public work projects should be receiving the payment of prevailing wages to ensure equity and uniformity in the execution of all public works projects. Therefore, your Committees determine that DLIR is the appropriate entity to enforce and monitor compliance with the law for these types of projects in order to close the existing loophole in the system.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2209 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 2 (Slom, Whalen). Excused, 4 (Baker, Hee, Ihara, Menor).

SCRep. 2377 (Joint/Majority) Labor, Business and Economic Development and Transportation and Government Operations on S.B. No. 2546

The purpose of this measure is to establish a task force to study the feasibility of establishing a Hawaii construction authority to develop and implement a strategic, long-range, construction development plan for the State and to streamline the construction process.

This measure also:

- (1) Specifies the composition of the members of the task force;
- (2) Specifies the issues and topics that the task force is tasked with reviewing;
- (3) Requires the Department of Labor and Industrial Relations (DLIR), in consultation with the task force, to submit a report to the Legislature on its findings, recommendations, and draft legislation prior to the convening of the regular session of 2008; and
- (4) Appropriates funds for the establishment of the task force.

Testimony in support of this measure was submitted by the Plumbers and Pipefitters Union Local 675, the Subcontractors Association of Hawaii, the Hawaii Building and Construction Trades Council, AFL-CIO, and one individual. Testimony in opposition to this measure was submitted by the Hawaii Chapter of Associated Builders and Contractors, Inc. and the Building Industry Association of Hawaii. Comments on the measure were also submitted by DLIR and one individual.

Your Committees find that the construction industry within the State is growing at a rapid rate, with reports indicating that it will continue to expand and add more jobs and money into the economy over the next several years. Your Committees further find that with this expansion comes several unanswered questions regarding the State's ability to support the industry by making necessary improvements to streamline the process for property development or through the provision of an adequate workforce. Your Committees determine that the establishment of a task force to study the feasibility of establishing a Hawaii construction authority is a necessary and prudent course of action in addressing the issues involved in the emerging construction industry within the State. The task force will be able to thoroughly review and analyze the relevant issues regarding the necessity, propriety, feasibility, and effect of creating a Hawaii construction authority. Your Committees believe that this is an important step in properly preparing the State for future growth.

Your Committees recognize that several different measures relating to the establishment of a task force or a Hawaii construction authority have been introduced this session. Your Committees determine that this measure should continue to move forward as the issues are more fully developed and addressed. Furthermore, your Committees note that they have requested DLIR to provide an estimate of the cost of establishing the task force, as this information will be important in determining how to proceed on this matter.

As affirmed by the records of votes of the members of your Committees on Labor and Business and Economic Development and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2546 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 4 (Baker, Ihara, Menor, Trimble).

SCRep. 2378 Labor on S.B. No. 3090

The purpose of this measure is to require the Director of Labor and Industrial Relations to establish standardized forms for health care providers to use when reporting on and billing for injuries compensable under the State's workers' compensation law.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Hawaii State Teachers Association, the ILWU Local 142, the Hawaii Chapter of the American Physical Therapy Association, the Hawaii Insurers Council, and the Hawaii State Chiropractic Association. Comments on the measure were also submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that although some standardized forms exist for the filing of workers' compensation claims, more can be done to provide uniformity, greater clarity, and efficiency in the delivery of medical services to injured employees and payment to the

providers. The current lack of uniformity in the filing of paperwork by providers often results in the employer's denial of payment for services without an effective way for the employee to determine the basis for denial. Consequently, denials necessitate the filing of additional paperwork and further delay, or eliminate the receipt of payment from the employer's insurer. Your Committee believes that the use of standardized forms can help to clearly identify the information that is necessary for a proper determination of the need for care and the type of care that satisfies medical reporting requirements.

However, your Committee believes that for the forms to be truly successful in streamlining the workers' compensation system, DLIR must receive input from interested stakeholders in the workers' compensation system, including insurers, providers, employers, and employees, in order to better serve all parties involved. Your Committee also notes that discussion was held on the possibility of automating the Disability Compensation Division (DCD), so as to make standardized forms available online for electronic filing with DLIR. Your Committee believes that this is an important issue that should continue to be explored and discussed as the measure progresses throughout the session and as estimates are made regarding the cost of automating the DCD and implementing an electronic filing system.

Accordingly, your Committee has amended this measure by:

- (1) Including language to require DLIR to prepare the standardized forms, with input from all interested stakeholders in the workers' compensation system, including health care providers, insurers, employers, and employees; and
- (2) Making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3090, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2379 (Joint) Transportation and Government Operations and Education and Military Affairs on S.B. No. 2214

The purpose of this measure is to enhance the State's civil defense responsiveness in times of natural disaster to protect the public health, safety, welfare, and property, by providing for:

- (1) Building code standards for state buildings;
- (2) Civil defense sirens in new developments;
- (3) Tax credits for homeowners for installation of wind resistive devices;
- (4) Underground electric transmission lines;
- (5) Restrictions on National Guard deployment;
- (6) Allocation of part of the general fund appropriation for fiscal years 2005-2006 and 2006-2007 to establish an emergency cache;
- (7) Prohibition on profiteering and price gauging;
- (8) Residential disaster assistance special fund; and
- (9) Appropriations for civil defense.

Your Committees received testimony in support of this measure from the State Civil Defense, Disability and Communication Access Board, and one individual. Comments were received from the Department of Business, Economic Development, and Tourism, Department of Taxation, Department of Accounting and General Services, Public Utilities Commission, Housing and Community Development Corporation of Hawaii, State Insurance Commissioner, Office of Consumer Protection, Division of Consumer Advocacy, State Farm Insurance Company, Tax Foundation of Hawaii, and one individual. Testimony in opposition was received from the Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company.

Your Committees find that the State needs to significantly improve its emergency preparedness program for major disasters and to accelerate response and recovery operations during and after disasters. This measure represents the priority concerns of the State Civil Defense.

According to the State Civil Defense, hazards and disasters include hurricanes, flash floods, tsunamis, earthquakes, volcanoes, subsidence of land or landslides; urban fires, power failures, wild fires, hazardous material situations, droughts, aircraft accidents, tornadoes and water spouts, dam failures, radiological incidences, terrorism, and civil disorders.

Emergency and disaster preparedness basically involves continuous planning, effective and efficient response including evacuation, training, and the development of infrastructure and warning systems. To make this happen, coordinated effort and planning are necessary over a broad spectrum of public and private entities, including the state, counties, federal government, national guard, law enforcement, and hospitals. The aim is prevention, protection, response, and recovery.

The State must have a comprehensive emergency preparedness program to mitigate hazards, enhance preparedness for major disasters, and accelerate response and recovery when disaster strikes. The goal is to enhance and fortify the State's ability to save lives and protect property in the event of disaster.

Your Committees further find that current concerns and challenges for the State civil defense are the lack of emergency spaces throughout the State, evacuation of tourists and residents, evacuation of the special needs population, special needs emergency shelters, development and maintenance of plans, and public awareness and involvement.

Your Committees have amended this measure by:

- (1) Deleting appropriations for the disaster assistance special fund, emergency shelter spaces, loss mitigation grant program, and civil defense warning sirens, as these appropriations were included in S.B. No. 2288, SD1, which has passed Second Reading and is being referred to the Committee on Ways and Means; and
- (2) Adding the provisions of S.B. No. 2892, to provide for emergency shelter plans for residents, visitors, and persons with disabilities.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2214, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2214, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Hee, Kanno, Whalen).

SCRep. 2380 (Joint) Tourism and Intergovernmental Affairs on S.B. No. 2057

The purpose of this measure is to clarify the language in section 514E-5, Hawaii Revised Statutes, with regard to time share plans in a time share zoning district established by a county.

This measure clarifies that if a county establishes such a district, it may restrict time share units and time share plans in other zoning districts, including areas designated for hotel use, resort use, or transient vacation rentals.

Your Committees received testimony in support of this measure from three Maui Council Members, ILWU Local 142, and four individuals. Your Committees received testimony in opposition to this measure from the Hawaii Hotel & Lodging Association, ARDA-Hawaii, Hilton Grand Vacations Company, Starwood Vacation Ownership, Cendant Vacation Network Group, and Fairfield Resorts.

The Attorney General provided an opinion dated February 8, 2006, in response to a question whether this measure was necessary to give the counties the power to restrict time share use by zoning ordinance. The opinion stated that, although counties presently possess such powers by statute, a statutory amendment such as contained in this measure would serve to clarify existing law.

Section 514E-5(2), Hawaii Revised Statutes, specifically allows counties to limit the allowable locations of time share units, time share plans, and transient vacation rentals.

Your Committees find that this measure clarifies the counties' planning authority over zoning in matters relating to time share locations. Planning and zoning are traditionally local functions. The Hawaii State Constitution, in section 1 of Article VIII, states:

Section 1. The legislature shall create counties, and may create other political subdivisions within the State, and provide for the government thereof. *Each political subdivision shall have and exercise such powers as shall be conferred under general laws.* (Emphasis added.)

This measure supplements section 514E-5(2) by clarifying that the counties may establish by zoning ordinances a time share zoning district. This issue is one of home rule, and your Committees believe that input is needed from the other counties.

Your Committees have amended this measure by changing the effective date to July 1, 2020, to continue discussions due to concerns that only Maui county submitted testimony in support.

As affirmed by the records of votes of the members of your Committees on Tourism and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2057, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (English, Hee, Slom).

SCRep. 2381 Education and Military Affairs on S.B. No. 2733

The purpose of this measure is to place the burden of proof on the Department of Education in the initial administrative hearing brought pursuant to the IDEA, and to clarify the statute of limitations for an action to recover costs of a unilateral private education placement.

Your Committee received testimony in support of this measure from the State Council on Development Disabilities, the Disability and Communication Access Board, the Special Education Advisory Council, the Hawaii Disability Rights Center, the Ko'olauloa Community Children's Council Parent Group, Hawaii Families As Allies, Learning Disabilities Association of Hawaii, the Autism Society of Hawai'i, and seven individuals. Comments in support of the intent of this measure were received from the Department of Education. Comments in opposition to this measure were received from the Hawaii State Teachers Association. Comments were received from the Department of the Attorney General.

Your Committee finds that while the initial burden of proof in an IDEA hearing should rest with the department, upon satisfaction of this burden and disposition of an initial proceeding, it is not unjust to shift the burden of proof to a parent or guardian in the event that the parent or guardian brings a subsequent proceeding against the department.

Your Committee further finds that a ninety-day statute of limitations ensures that the determination of a child's educational placement is made in an expedited manner, and that an affirmative date upon which the limitations period begins to toll must be established in fairness to parents and guardians.

Your Committee has amended this measure to reflect these findings.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2733, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2382 (Joint) Education and Military Affairs and Human Services on S.B. No. 2862

The purpose of this measure is to direct the Department of Education to seek proposals for possible use of its vacant classrooms for early education programs offered by public, nonprofit, or private entities and to appropriate funds for that purpose.

Testimony in support of this measure was submitted by the Department of Education.

Your Committees find that this measure will help to determine the demand for early education services and gauge early education service provider interest and capacity. The implementation of early education programs must be made with the full support of the prospective host schools and communities.

Your Committees have amended this measure to make nonsubstantive, technical changes.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2862, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2862, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 2383 Health on S.B. No. 218

The purpose of this measure is to make an appropriation for a training stipend program for Mobile Intensive Care Technicians for the County of Maui and the County of Kauai.

Your Committee received testimony in support of this measure from the Department of Health, County of Kauai Fire Department, PMRF Barking Sands Fire Department, American Medical Response, and twenty-one individuals.

Your Committee finds that there is a great need for qualified emergency medical services personnel, especially on the neighbor islands. The lack of formal training on the neighbor islands adds to the difficulty of filling staff shortages. The training program for Mobile Intensive Care Technicians (MICTs) is located on Oahu which is often too costly a commute for MICT candidates. Additionally, the rigorous eighteen month didactic and practical training program often requires that paramedics take a leave from emergency medical service work to devote their full time and attention to becoming MICT-certified. Without a stipend, many Emergency Medical Technicians (EMTs) are unable financially to make such a commitment.

Your Committee further finds that providing a stipend program for any public or private paramedic who does not currently have access to a stipend program will alleviate the shortage problem and ensure there are qualified emergency services personnel on the neighbor islands.

Your Committee amended this measure by including the appropriation amount of \$350,000 to fund ten students per year who are public or private paramedics and do not have current access to a stipend 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. 218, 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. 218, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2384 (Joint) Health and Intergovernmental Affairs on S.B. No. 2694

The purpose of this Act is to exempt, from the county surcharge on the general excise tax, specified health care services.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Society of Clinical Oncology, Honolulu County Medical Association, and one individual. Comments were received from the Department of Taxation, National Federation of Independent Business – Hawaii, and the Tax Foundation of Hawaii.

Your Committees find all residents of this State should have access to affordable, quality health care. Hawaii has prided itself on its near-universal health coverage under the prepaid health care Act, but the uninsured population is growing.

Act 247, Session Laws of Hawaii 2005, enacted the county surcharge on state general excise and use taxes at a rate of up to one-half percent of gross proceeds or gross income (for the excise tax) and value of property and services (for the use tax) to finance mass transit. The surcharge applies to health care services, including physician services, hospital charges, nursing services, and rehabilitation services.

Your Committees further find that increasing the cost of healthcare is likely to increase the cost of living and drive more residents into poverty, which increases the likelihood of their becoming uninsured. This results increased Medicaid expenditures for the State. Neighbor island residents are particularly adversely affected by the excise tax surcharge on health care services. They often have no choice but to pay more to travel to Oahu to find medical specialists, often accompanied by a family member. They pay more for health care by reason of the costs of their air and ground transportation, lodging, and meals, all of which are taxable on Oahu. Honolulu's excise tax surcharge does not benefit neighbor island residents, which poses an inherent inequity.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2694 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2385 (Joint/Majority) Labor and Intergovernmental Affairs on S.B. No. 3020

The purpose of this measure is to allow part-time, temporary, and seasonal or casual employees of the State, who do not already have health insurance coverage, to be eligible for health insurance benefits under the Hawaii employer-union health benefits trust.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the ILWU Local 142. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Comments on this measure were also submitted by the Department of the Attorney General, the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), and the Hawaii Uninsured Project.

Your Committees find that, according to the University of Hawaii Social Science Research Institute, approximately 6,000 civilian government employees in Hawaii are without health insurance. Many of these public employees are without health insurance due to their employment status as part-time or temporary employees. Under the current law, the state and county governments are exempt from the Prepaid Health Care Act. As a result, the State or a county need not provide health insurance coverage to its temporary or part-time employees. Part-time or temporary public employees are also specifically excluded from coverage under the EUTF.

Your Committees further find that current labor shortages and the need for individuals who are specially trained has necessitated the utilization of an increased number of 89-day hires, as well as part-time employees, leaving a number of public employees without health insurance coverage. Your Committees believe that in an attempt to address the problem of the increasing number of uninsured individuals in the State, the State and counties should lead by example by offering health insurance benefits to their temporary and part-time employees.

Your Committees have amended this measure by:

- (1) Amending the definition of “part-time, temporary, and seasonal or casual employee” to clarify that the definition includes both employees who work for less than a three-month period and employees who work less than twenty hours per week, rather than those who do both; and
- (2) Changing the effective date of the Act to July 1, 2050, to allow further discussion on this matter until a time certain can be determined as to when the EUTF can be prepared to implement the law.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 3 (English, Kim, Taniguchi).

SCRep. 2386 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 2100

The purpose of this measure is to provide matching funds to the Hawaii Strategic Development Corporation for the purpose of attracting additional private venture capital to accelerate the growth of Hawaii's technology sectors.

Your Committees received testimony in support of the measure from the Department of Business, Economic Development, and Tourism, the Hawaii Strategic Development Corporation, the University of Hawaii's Vice Chancellor for Research and the Director of the University Connections program, The Hawaii Venture Capital Association, the Hawaii Science and Technology Council, the Hawaii Crop Improvement Association, and the Hawaii PacificCap Group.

Your Committees find that Hawaii's emerging growth companies continue to face a shortage of available private sector venture capital. Much progress has been made in recent years, but the continued shortfall of equity growth financing stifles new company expansion and the State's economic development. The Hawaii Strategic Development Corporation has been effective as a catalyst in generating venture funding in conjunction with private investors, directly leveraging its \$16,000,000 of public funds over seven times with private capital and indirectly leveraging its funds over thirty times for investment in Hawaii's startup companies. Act 221, Session Laws of Hawaii 2001, and Act 215, Session Laws of Hawaii 2004, have greatly stimulated new private investment by providing incentives to investors in qualified high technology businesses.

However, as pointed out by several testifiers, "Hawaii tech businesses need access to later stage capital to take them through their most critical growth phase, when the most jobs and revenues are created. Unfortunately, there is a significant lack of venture capital in Hawaii necessary to support the larger capital needs of later stage technology companies . . . this funding gap must be addressed if we want to build a sustainable tech industry in Hawaii" (University of Hawaii Vice Chancellor for Research testimony).

The Department of Business, Economic Development, and Tourism compared the benefits of using refundable or contingent tax credits to provide an adequate level of venture funds for the State Private Investment Fund, created under Act 215, Session Laws of Hawaii 2004, against the benefits of direct appropriations. Ultimately, the Department of Business, Economic Development, and Tourism concluded that the benefits of a direct appropriation — e.g., providing the most return for the State, being the most straightforward to understand, and the most efficient, with certainty of cost — outweighed the tax credits approach that has characterized the State Private Investment Fund venture financing model.

Your Committees are concerned that this bill's funding level of \$10,000,000 to the Hawaii Strategic Development Corporation, which is to be matched on a one-to-one basis by private sector funds, would still not be enough to meet the larger funding needs of later stage companies and to keep them in Hawaii. As such, your Committees believe that a direct appropriation to a larger state investment partner may be a more appropriate route by which to address the venture financing concerns expressed by the University of Hawaii and the Department of Business, Economic Development, and Tourism.

In light of this understanding, your Committees also believe that, if a Hawaii-based entity that possesses formidable investment capital resources invests in Hawaii-based high technology businesses, such actions would most likely spur the interest of out-of-state venture capital investors to also invest in these businesses. This would further augment interest in the State's high technology industry and stimulate new private investment.

To this end, your Committees also find that the Employees' Retirement System has been effective as a proven investment leader, possesses formidable investment capital, and currently has the authority to act as a catalyst in generating venture funding in conjunction with private investors.

Your Committees believe that, with additional resources, the Employees' Retirement System could expand its public/private partnerships with market-based investment firms that can provide equity capital to high-growth companies and strengthen and diversify Hawaii's economy. These opportunities can potentially yield additional economic stability and vitality to the State's economy, which in turn strengthens the State's ability to pay its employer contributions to the Employees' Retirement System. Consequently, any successful Hawaii-based high technology business investments made by the Employees' Retirement System will not only ensure that the Employees' Retirement System will meet its pension benefit obligations, but will concomitantly assist in growing and diversifying the State's economy.

Your Committees have amended the measure by:

- (1) Deleting its substantive provisions, except for the measure's purpose section;
- (2) Inserting provisions that appropriate \$25,000,000 in general funds to the Employees' Retirement System for it to invest in sound, Hawaii-based high technology investment opportunities for the benefit of public employees and to attract additional private venture capital that will accelerate the growth of Hawaii's technology sectors;
- (3) Providing that the investments made, and any interest accrued or losses incurred thereon, by the Employees' Retirement System pursuant to this measure will not be included in any calculation of its statutorily-mandated investment yield rate; and

(4) Amending the purpose section of the measure to reflect the amendments made by your Committees.

Your Committees note that the Employees' Retirement System already has the authority to invest in Hawaii-based high technology businesses pursuant to section 88-119(11), Hawaii Revised Statutes, and that the appropriation of moneys under this measure are provided to ensure that the Employees' Retirement System allocates adequate investment capital toward sound, Hawaii-based high technology businesses.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2100, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2100, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Menor, Hogue, Trimble).

SCRep. 2387 Health on S.B. No. 2539

The purpose of this measure is to allow parents to admit a minor child between the ages of fifteen and seventeen in non-emergency situations for in-patient treatment at a mental health facility.

Your Committee received testimony in support of this measure from the Hawaii Psychiatric Medical Association and one individual. Your Committee received testimony in opposition to the measure as written from the Department of Health and the Office of the Public Defender.

Your Committee finds that parents need to have the authority to admit their children for psychiatric non-emergency situations. Individuals suffering from the onset of mental illness or suicidal ideation do not simply comply with physicians or parental assistance to receive needed psychiatric treatment.

Your Committee has amended this measure by adopting the suggestions of the Department of Health and defining "neutral factfinder" as a board certified psychiatrist or child psychiatrist for purposes of admission to a hospital or hospital-based program, or a Qualified Mental Health Professional as defined by Medicaid for purposes of admission to community-based or therapeutic group home residential program. Your Committee additionally amended this measure by requiring the neutral factfinder to certify in the evaluation for admission that the admission is appropriate for mental health treatment of the youth and is the least restrictive alternative setting needed for 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. 2539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2539, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2388 (Joint) Transportation and Government Operations and Education and Military Affairs on S.B. No. 2955

The purpose of this measure is to authorize the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters.

Your Committees received testimony in support of this measure from the State Civil Defense, the Department of Education, and one individual.

Your Committees find that the supply of emergency shelters is woefully and dangerously inadequate. Emergency shelters can make the difference between life or death in a disaster, as was demonstrated in New Orleans with Hurricane Katrina. This measure is an outgrowth of that disaster-turned-catastrophe, which could have been ameliorated with better planning for emergency shelters.

The State Civil Defense estimates that the cost would be \$35,000,000 to retrofit public schools, but the agency is asking for an initial appropriation of \$4,000,000.

Your Committees have amended this measure by adding the provisions of S.B. No. 2181, relating to temporary emergency shelter for the homeless; S.B. No. 2889, relating to emergency shelters for health care facilities; and part of S.B. No. 3055, relating to utilizing public schools as emergency shelters, which is an expanded version of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2955, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2955, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Hee, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2389 (Joint/Majority) Business and Economic Development and Water, Land, and Agriculture on S.B. No. 2150

The purpose of this measure is to require the Department of Taxation to deposit an amount equivalent to ten percent of the general excise tax revenues received from the direct revenues generated by the ocean recreation industry during the preceding fiscal year into the boating special fund.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, the Ala Wai Marina Community Association, the Hawaii Boaters Political Action Association, and two private individuals. Testimony in opposition of this measure was received by the Department of Land and Natural Resources and the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

The dilapidated condition of the small boat harbors in the State can be attributed in large part to an inadequate revenue stream to fund repair and maintenance projects. The ocean recreation industry benefits from the small boat harbors. The small boat harbors will gain financial assistance for repair and maintenance projects by requiring the Department of Taxation to deposit a portion of the general excise tax revenues the ocean recreation industry generates into the boating special fund. Your Committees have heard the concerns regarding establishing a boating special fund and are reporting this measure out to facilitate further discussion by the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2150 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Hemmings). Excused, 3 (English, Menor, Sakamoto).

SCRep. 2390 (Joint) Business and Economic Development and Water, Land, and Agriculture on S.B. No. 2985

The purpose of this measure is to address the unique circumstances of agricultural businesses under the State Enterprise Zone Program by:

- (1) Establishing that agricultural businesses shall remain eligible for tax incentives in the event of force majeure;
- (2) Allowing agricultural businesses to meet annual gross revenue requirements if the businesses are unable to meet annual full-time employee requirements;
- (3) Amending the definition of "full-time employee" by including leased employees and employees under a joint employer relationship; and
- (4) Prohibiting a taxpayer claiming a tax credit or exemption under chapter 209E, Hawaii Revised Statutes, from claiming any other identical tax credit or exemption.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Maui County Farm Bureau, C & H Farms, the Hawaii Crop Improvement Association, and the Hawaii Farm Bureau. The Department of Taxation submitted comments on the measure.

Agriculture is a vital component of the State's economy because it provides the State with export products, a diversity of employment opportunities, a stage for tourism, and an opportunity for land and water stewardship. The State Enterprise Zone Program provides business incentives that will encourage agricultural activity. Unfortunately, the employment requirements to qualify for this program discourage many agricultural businesses from applying because agricultural employment is dependent on local and global markets, seasonal crops, labor availability, and weather conditions.

Your Committees find that it is difficult for agricultural businesses to meet the existing employment requirements of the State Enterprise Zone Program and that agricultural businesses need more opportunities to participate in the program. Amending chapter 209E to allow favorable tax incentives and easier employment qualifications will encourage more agricultural businesses to qualify and apply for the State Enterprise Zone Program.

Your Committees have amended this measure by including the language suggested by the Department of Business, Economic Development, and Tourism that will differentiate between the revenue growth requirements of a new business and an existing business in a designated enterprise zone. A two per cent revenue growth for each year of participation in the program is required for existing businesses that were already actively engaged in business or trade in the area prior to being designated an enterprise zone under section 209E-9(b)(3), and the language was changed to reflect that requirement. Furthermore, your Committees have made technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2985, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2985, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (English, Menor, Sakamoto).

SCRep. 2391 (Joint) Education and Military Affairs and Intergovernmental Affairs on S.B. No. 2650

The purpose of this measure is to exempt members of the national guard and reserves from county vehicular taxes and fees for noncommercial motor vehicles.

Your Committees received testimony in support of this measure from the Department of Transportation, the Armed Services Committee of the Chamber of Commerce of Hawaii, the Hawaii National Guard Association, and the Hawaii National Guard Enlisted Association. Comments to this measure were received from the State Department of Defense and the Tax Foundation of Hawaii.

Your Committees find that this measure supports the members of the Guard and Reserves in the service of their country. Your Committees note that in the future, it may be considered whether the lost state tax revenues should be added as a line item in the Department of Defense budget. Your Committees request that the Committee on Ways and Means review the exemption language contained in the measure to ensure that it comports with the stated purpose.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2650, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2650, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2392 Education and Military Affairs on S.B. No. 2654

The purpose of this measure is to establish on the Internet a centralized list of all projected construction projects by the department of education.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the department's conceptualized six major system networks, consisting of the Project Management System, the Electronic Document Storage and Workflow System, the Financial Data System, the Facility Inventory and Assessment System, the E-Plan Room System, and the Non-Programmed Repair and Maintenance Work Order System, are necessary to manage department facilities efficiently and provide greater transparency and accountability.

Your Committee has amended this measure to reflect the description of the information and data system networks as provided by the department and to specify an appropriation amount as provided by the department.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2654, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2393 Education and Military Affairs on S.B. No. 3102

The purpose of this measure is to reduce the student to teacher ratio for elementary, middle, and high school classes and to appropriate funds for initiatives and staff needed to support the reduction.

Testimony in support of this measure was submitted by the Department of Education. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that this measure is not intended to reduce class size or to require additional classrooms, but is intended to add more teacher support in varied subject matter areas to ensure that students have increased attention from teachers.

Your Committee has amended this measure to clarify the student ratio of 15.25-to-one and to indicate the number of support teachers it would take to bring that ratio down to 14.75-to-one and to include an appropriation amount.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3102, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2394 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 3034

The purpose of this measure is to require an indirect public works project to comply with the law relating to prevailing wages.

Specifically, this measure:

- (1) Establishes a new category of construction contracts: “indirect public works projects”;
- (2) Defines “indirect public works project” as a project, that has or will receive a government benefit, including a lease to the State or county of more than twenty-five percent of the public or private property; provided that:
 - (A) The lease was made before the construction contract became effective; or
 - (B) Construction was performed according to a government plan or specifications; and
- (3) Requires a construction project owner undertaking an indirect public works project to sign a lease or other agreement with the State or county indicating that the owner will comply with the requirements of chapter 104, Hawaii Revised Statutes, and provide certification that prevailing wages will be paid as established under chapter 104.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Accounting and General Services, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that in order to ensure continuity and equitable standards among laborers and mechanics throughout the State, the scope of the prevailing wages law should be extended to include certain types of private projects that involve structures leased by the State by agreement prior to construction. It is not the intent of your Committees that this measure extend to residential home remodeling where individual homeowners receive a government benefit of a real estate tax exemption, but instead to those projects where a privately owned building is to be leased back or turned over to the State or a county. Under these circumstances, state or county purposes are served, therefore warranting inclusion under the Hawaii’s Davis Bacon Act, chapter 104, Hawaii Revised Statutes. Your Committees determine that the establishment of clear standards in the law will provide equally patent guidelines for the Department of Labor and Industrial Relations to follow in its enforcement of prevailing standards.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that the agreement entered into by a construction project owner undertaking an indirect public works project and the State or county can be either a lease or other agreement;
- (2) Removing language that provides that the work to be completed on the real or personal property that is the subject of an indirect public works project serve a compelling state or county interest, as it is already presumed that the State or counties are engaging in activity that is in the interest of the State or county; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3034, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Hee, Kanno, Taniguchi, Whalen).

SCRep. 2395 (Joint/Majority) Intergovernmental Affairs and Transportation and Government Operations on S.B. No. 2909

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

The Mayor of Hawaii County, the Hawaii County Planning Department, the Maui County Department of Water Supply, and the Sierra Club submitted testimony in support of this measure. The Land Use Research Foundation of Hawaii submitted testimony in opposition.

Your Committees find that the automatic permit approval law was passed in an effort to improve Hawaii’s business climate. However, granting a permit by default does not reflect good public policy and potentially penalizes the public and the environment. There are many reasons why an action on a permit may be delayed, including the illness or retirement of necessary personnel. Applications are also typically forwarded to other agencies for review and comment. This measure gives the county discretion whether to require automatic permit approval or not.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Whalen). Excused, 2 (Hee, Kanno).

SCRep. 2396 (Joint) Intergovernmental Affairs and Transportation and Government Operations on S.B. No. 3134

The purpose of this measure is to correct various inconsistencies and erroneous references in sections of the Hawaii Revised Statutes relating to intoxicating liquor.

No testimony was submitted on this measure.

Your Committees find that it is appropriate to correct inconsistencies and erroneous references in the Hawaii Revised Statutes relating to intoxicating liquor.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3134 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Hee, Kanno).

SCRep. 2397 Intergovernmental Affairs on S.B. No. 2403

The purpose of this measure is to provide specific exceptions to tort actions.

The Mayor of Hawaii County submitted testimony in support of this measure with amendment. State Farm Insurance Companies and Consumer Lawyers of Hawaii submitted testimony in opposition.

Your Committee finds that under section 662-15, Hawaii Revised Statutes, the State currently is exempt from liability for certain torts of its employees and for torts arising out of certain circumstances. Your Committee further finds that the measure was intended to extend similar exceptions from tort liabilities to the counties. However, as drafted, the exceptions to tort action were overly broad.

Upon further consideration, your Committee has amended this measure by adding language to clarify that the intent of the measure is to exempt a county from liability for certain torts of its employees and for torts arising out of certain circumstances, similar to the exemption for the State.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this S.B. No. 2403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2403, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2398 Intergovernmental Affairs on S.B. No. 2025

The purpose of this measure is to increase the period of time in which impact fees shall be expended or encumbered by counties from six to ten years.

The City and County of Honolulu Department of Budget and Fiscal Services and one individual submitted testimony in support of this measure. The Department of Transportation submitted testimony in support of the intent of this measure.

Your Committee finds that the current six-year period does not provide sufficient time for impact fees to be used for certain projects. Extending the period of time in which fees shall be expended or encumbered by counties will allow for greater flexibility in planning and execution of infrastructure development.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2025 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2399 Intergovernmental Affairs on S.B. No. 2551

The purpose of this measure is to authorize the Liquor Commission to reduce the time it has to decide whether to grant or refuse an application from thirty days to fifteen days.

This measure also allows the commission to remove names from the registered voter list for lack of residency and to deem an application denied if the commission does not make a decision to grant or refuse an application within the specified time.

The Chair of the Waikiki Neighborhood Board and eleven individuals submitted testimony in support of this measure. The Honolulu Liquor Commission, and one individual submitted comments on this measure. One individual submitted testimony in opposition.

Your Committee finds that it is important to use current property records to satisfy the notice requirement when a preliminary public hearing is held on an application for a liquor license. It is equally important to use current residency information when determining whether a majority of the registered voters have duly filed protests against the granting of a license. As one testifier indicated, a registered voter may no longer occupy property within the affected area, but may still be included in the total number of registered voters and skew the determination of whether a majority exists. It is important that the Liquor Commission have discretion in this regard. Concerns were also raised about an owner of multiple properties having more than one vote.

Upon further consideration, your Committee amended this measure by:

- (1) Providing notice to current owners and lessees of record of real estate and current owners of record of shares in a cooperative apartment;
- (2) Granting the Liquor Commission the discretion to extend its time to render a decision from thirty days to forty-five days;
- (3) Exempting a hearing and rehearing on an application for a liquor license from the requirements of chapter 91, Hawaii Revised Statutes;
- (4) Clarifying that the Liquor Commission may remove a name from its copy of the list of registered voters after confirming the lack of residency of a voter; and
- (5) Making technical, non-substantive amendments for clarity and style.

Your Committee respectfully requests the Committee on Judiciary and Hawaiian Affairs to give further consideration to the automatic denial provision.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2551, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2400 Intergovernmental Affairs on S.B. No. 3051

The purpose of this measure is to change the fiscal year for county fiscal administration purposes.

The City and County of Honolulu Department of Budget and Fiscal Services submitted testimony in support of this measure.

Your Committee finds that this measure allows for greater support for county home rule by giving each county the ability to designate the beginning of its fiscal year.

Upon further consideration, your Committee amended this measure by clarifying that a county shall continue to maintain accounting and financial records on a fiscal year basis, but may designate which day the fiscal year begins. Your Committee also changed the effective date to reflect that the measure shall apply to years beginning after December 31, 2005.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3051, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2401 Intergovernmental Affairs on S.B. No. 2760

The purpose of this measure is to establish civil penalties for property owners who fail to make reasonable efforts at remediation of, and to authorize counties to condemn and demolish, facilities abandoned due to a natural disaster, and to place a lien on the property for costs incurred.

No testimony was submitted on this measure.

Your Committee finds that owners of commercial and industrial facilities do not always rebuild or repair damaged structures after a natural disaster. Dangerous property conditions should not be allowed to persist, to the detriment of the community. This measure establishes a civil penalty for property owners who fail to make a reasonable effort to remediate dangerous property conditions. It also enables a county to place a lien on the property for costs incurred for condemning, demolishing, or remediating the dangerous condition.

Upon further consideration, your Committee amended this measure to:

- (1) Clarify that a property owner shall make a reasonable effort to repair the damage and correct the dangerous condition;
- (2) Provide that the county shall notify the property owner in writing of the dangerous condition;

- (3) Clarify that the property shall be condemned before the county can demolish the facilities;
- (4) Add that the county has the discretion to demolish or remediate the dangerous condition;
- (5) Clarify that the civil fine shall accrue until the property is condemned and demolished or remediated by the county or remediated by the owner; and
- (6) Make technical, non-substantive amendments for clarity and style.

Your Committee respectfully requests the Committee on Judiciary and Hawaiian Affairs to consider whether to expand the scope of the civil fine from properties damaged by natural disaster to include property owners who fail to repair a dangerous property condition in general.

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

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2402 Intergovernmental Affairs on S.B. No. 2856

The purpose of this measure is to require each county to adopt an ordinance to participate in the community rating system of the National Flood Insurance Program.

One individual submitted testimony in support of this measure.

According to the individual testifier, Maui County is participating in the National Flood Insurance Program's community rating system program and, as a result, its residents receive a five per cent discount for low-risk to moderate-risk properties and a ten per cent discount for special flood hazard area or high-risk flood areas. Participation in the program is free, but the counties must commit to the guidelines.

Your Committee finds that if all of the counties participated in the National Flood Insurance Program's community rating system program, county's residents could save on their premium costs.

Upon further consideration, your Committee has amended this measure by adding an appropriation to constitute the State's share of the cost of mandated programs pursuant to Article VIII, section 5, of the State Constitution, and by making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2856, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2403 (Majority) Intergovernmental Affairs on S.B. No. 2584

The purpose of this measure is to extend the statute of limitations for actions against a county for damage or injury from six months to two years.

Consumer Lawyers of Hawaii submitted testimony in support of this measure. The City and County of Honolulu Department of the Corporation Counsel submitted testimony in opposition.

Your Committee finds that the purpose of the six-month notice requirement is to allow the counties to receive notice of a claim and to timely investigate the matter claimed. However, according to the Consumer Lawyers of Hawaii, the Hawaii Supreme Court ruled in Kahale v. City and County of Honolulu, 104 Hawaii 341 (2004), that section 46-72, Hawaii Revised Statutes, is the statute of limitations applicable to actions against the counties. This overruled an earlier decision of the court that the applicable statute of limitations is two years.

Your Committee respectfully requests the Committee on Judiciary and Hawaiian Affairs to consider the law in states such as New York which have a notice of claim statute that serves as a condition precedent to suit and therefore as a substantive part of the cause of action, but is distinguishable from the statute of limitations.

Your Committee further requests that the Committee on Judiciary and Hawaiian Affairs consider provisions, such as those in New York's law, that give the court discretion to extend the time to serve a notice of claim and to allow a party to correct a defect in the notice of claim.

Upon further consideration, your Committee amended this measure by defecting the effective date to encourage further discussion of the issue.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2584, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (English, Kim).

SCRep. 2404 (Joint) Intergovernmental Affairs and Judiciary and Hawaiian Affairs on S.B. No. 2433

The purpose of this measure is to appropriate funds for a grant-in-aid to the Prosecuting Attorney's Office in each county for the career prosecution units and the victim witness assistance programs.

The City and County of Honolulu Department of the Prosecuting Attorney, the City and County of Honolulu Police Department, the Hawaii County Office of the Prosecuting Attorney, the Kauai County Office of the Prosecuting Attorney, the Kauai County Victim/Witness Program Director, the Maui County Department of the Prosecuting Attorney, the Maui County Victim/Witness Assistance Division, the Crime Victim Compensation Commission, the Immigrant Rights and Public Interest Legal Center, and Mothers Against Drunk Driving submitted testimony in support of this measure.

Your Committees find that continued funding for the Career Criminal Prosecution and Victim Witness Assistance programs is necessary given their critical role in the prosecution of chronic offenders and in providing services to the victims and witnesses of crimes committed in Hawaii, respectively. State funding for these programs has been cut dramatically over the years. For instance, the City and County of Honolulu Department of the Prosecuting Attorney testified that since 1995, state funding for its Victim/Witness Assistance program has been cut thirty per cent and funding for its Career Criminal Prosecution Unit was cut fifty per cent. The Office of the Prosecuting Attorney for the remaining counties submitted similar testimony.

Upon further consideration, your Committees amended this measure by:

- (1) Restoring the appropriations for the City and County of Honolulu's Career Criminal Prosecution Unit and Victim Witness Assistance program to the 1995 funding level based on submitted testimony; and
- (2) Restoring the appropriation for the Maui County Victim Witness Assistance program to the 1995 funding level based on submitted testimony.

Your Committees respectfully request that the Committee on Ways and Means restore all of the appropriation amounts to the respective 1995 funding levels for each county.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2433, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 1 (Ihara).

SCRep. 2405 (Joint) Intergovernmental Affairs and Water, Land, and Agriculture on S.B. No. 3168

The purpose of this measure is to allow each county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

Hawaii Renewable Energy Alliance and Honolulu Seawater Air Conditioning LLC submitted testimony in support of this measure.

Your Committees find that easements for public utilities may be granted, sold, or otherwise disposed of by negotiation without public auction. Seawater air conditioning district cooling systems are exempt from public utility company regulation, so they are not classified as public utilities for the benefit of obtaining easements without public auction.

Your Committees further find that seawater air conditioning district cooling systems provide many public benefits, including helping the state and county governments reach energy policy goals and mandates. This measure will allow a county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction, thereby giving system developers a more expeditious and cost-effective way to obtain easements.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3168 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Baker, Hooser, Inouye).

SCRep. 2406 (Joint/Majority) Intergovernmental Affairs and Human Services on S.B. No. 2938

The purpose of this measure is to require that community organizations such as neighborhood boards and community associations be notified when halfway houses, clean and sober homes, or drug rehabilitation homes are proposed to be situated in their community.

The Community Alliance on Prisons and the Mililani Town Association submitted testimony in support of this measure. Oxford House Inc. submitted testimony in opposition.

Your Committees find that this measure ensures that the community is notified when halfway houses, clean and sober homes, or drug rehabilitation homes may be situated in their community, thereby giving the community an opportunity to better understand the scope of the proposed facility and address any concerns its members may have regarding it.

Upon further consideration, your Committees amended this measure by:

- (1) Leaving the notification time period blank to encourage further consideration of that issue;
- (2) Including a notice provision for the community association; and
- (3) Providing that the notification shall be in writing.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2938, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2938, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Trimble). Excused, 4 (English, Fukunaga, Kim, Kokubun).

SCRep. 2407 Intergovernmental Affairs on S.B. No. 2430

The purpose of this measure is to direct the Judiciary to notify the county clerk of a felony conviction at the time of actual sentencing of the felon.

The Office of Elections, the Kaua'i County Office of the County Clerk Election Division and the Association of Clerks and Elections Officers submitted testimony in support of this measure. The Judiciary submitted testimony in opposition.

Your Committee finds that while the courts are presently required to notify the respective county clerk of a felony conviction, there is no consistency between the courts on what information they provide to the county clerk. As a result, the county clerk does not always receive a positive identifier, such as a social security number or date of birth, that would enable the county clerk to remove the felon from the voter registration rolls. This measure will improve the process for removing convicted felons from the Hawaii voter roles.

Upon further consideration, your Committee amended this measure by:

- (1) Changing "residence address" to read "address" to avoid redundancy; and
- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2430, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2408 Intergovernmental Affairs on S.B. No. 2559

The purpose of this measure is to clarify that members of all county boards and commissions are subject to the respective county code of ethics, regardless of whether the board or commission member was appointed or elected.

No testimony was submitted on this measure.

Your Committee finds that some counties treat appointed and elected members of boards and commissions differently with respect to complying with the county standards of conduct. Your Committee finds that both appointed and elected members should be subject to the standards of conduct in their jurisdiction.

Upon further consideration, your Committee amended this measure by:

- (1) Designating which chapter of the Hawaii Revised Statutes to amend;
- (2) Making the measure effective upon approval; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2559, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2409 Intergovernmental Affairs on S.B. No. 2073

The purpose of this measure is to extend the power of federal officers to make arrests under state law, currently limited to Customs and Immigration Service officers, to agents of the Federal Bureau of Investigation; United States Secret Service; Department of Homeland Security; Bureau of Alcohol, Tobacco, Firearms, and Explosives; Drug Enforcement Administration; and United States Marshals Service.

The State Attorney General and one individual submitted testimony in support of this measure.

Your Committee agrees with the Attorney General that federal agents are often in a position to observe suspicious activities and can assist in maintaining law and order. Your Committee finds that enabling federal agents to take action and make arrests under state law will provide additional protection at state airports and harbors.

Upon further consideration, your Committee amended this measure by:

- (1) Specifying that the head of the Hawaii district office for each of the federal agencies referred to in the measure shall provide the State Attorney General with a general list of federal law enforcement officers certified to have received proper training within the agency to enable that officer to enforce or administer the law; and
- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2073, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2410 Intergovernmental Affairs on S.B. No. 2263

The purpose of this measure is to amend the state firearms, ammunition and dangerous weapons law to comply with provisions of federal law.

The Attorney General, the City and County of Honolulu Police Department, and the Hawaii County Police Department submitted testimony in support of this measure.

Your Committee finds that chapter 134, Hawaii Revised Statutes, needs to be amended to reflect the current federal requirement that state firearm registration records include the applicant's place of birth, country of citizenship, and for non-citizens, an alien or admission number. Federal law now also requires that the National Instant Criminal Background Check System and the Immigration and Customs Enforcement databases be checked prior to the issuance of firearm permits. This measure updates the statute to bring it into compliance with those federal requirements and the federal requirement that a person be prohibited from possessing firearms under state law if the person is prohibited from possessing firearms under federal law.

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

- (1) Moving the amendment in section 3 of the measure to clarify that an inquiry on the National Instant Criminal Background Check System applies to all the various licenses issued by county police chiefs; and
- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2263, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2411 Intergovernmental Affairs on S.B. No. 2583

The purpose of this measure is to prohibit discovery of safety hazard analysis, including motor vehicle accident reports completed by the police, but to permit the release of source data.

The Attorney General, the Department of Transportation, and the City and County of Honolulu Department of the Corporation Counsel submitted testimony in support of this measure. Consumer Lawyers of Hawaii submitted testimony in opposition. The Judiciary and the Office of Information Practices submitted comments.

Your Committee finds that this measure reinforces existing federal laws that limit the disclosure of state highway safety information during litigation.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting subsection (c)(2), which protected source data that is collected for purposes of highway safety analyses from disclosure;
- (2) Replacing the reference to chapter 92 with a reference to chapter 92F, which is the Uniform Information Practices Law; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2583, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2412 Intergovernmental Affairs on S.B. No. 2074

The purpose of this measure is to appropriate funds to the Honolulu police department to develop a 3-1-1 non-emergency reporting system, including a plan to levy a surcharge on each 311 phone line to fund the system.

The City and County of Honolulu Police Department and Department of Customer Services, the American Heart Association, Verizon Wireless, and Hawaiian Telcom submitted testimony in support of this measure. T-Mobile USA, Inc. submitted testimony in opposition. Cingular submitted comments.

Your Committee finds that non-emergency calls to the 9-1-1 system challenge the limited resources of the City and County of Honolulu Police Department's communications division. It is estimated that sixty-five to seventy per cent of all calls to the 9-1-1 system are non-emergency calls. This measure will provide a grant-in-aid to the police department to develop a non-emergency 3-1-1 reporting system.

Upon further consideration your Committee amended this measure by:

- (1) Deleting the surcharge;
- (2) Changing the expending agency to the City and County of Honolulu; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2413 (Majority) Intergovernmental Affairs on S.B. No. 2350

The purpose of this measure is to assist the counties by funding litter control programs by counties, their contractors, and their volunteers.

The Governor, the Department of Health, and the City and County of Honolulu Department of Environmental Services submitted testimony in support of this measure.

Your Committee finds that one of the goals of the deposit beverage container program is to reduce litter. This measure appropriates monies from the deposit beverage container special fund to reinstitute county litter control programs.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (English, Kim).

SCRep. 2414 Intergovernmental Affairs on S.B. No. 2233

The purpose of this measure is to appropriate funds as a grant-in-aid to the City and County of Honolulu Police Department for a citizens' police-training program to be conducted at least once a year in a location convenient to Oahu residents.

The City and County of Honolulu Police Department submitted testimony in support of this measure.

Your Committee finds that appropriate volunteer training and cooperation from local residents are important elements in a law enforcement agency's ability to fight neighborhood crime and drug problems. This measure enables Oahu residents and members of the Honolulu Police Department to share ideas and information, and to interact in a positive, proactive manner.

Upon further consideration, your Committee amended this measure by:

- (1) Designating an appropriation amount of \$10,000;
- (2) Changing the expending agency to the City and County of Honolulu; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2415 Intergovernmental Affairs on S.B. No. 2667

The purpose of this measure is to clarify the law relating to fireworks by using terminology consistent with federal law.

The Department of Labor and Industrial Relations, the Hawaii State Fire Council, the City and County of Honolulu Police Department, and Legislative Information Services of Hawaii submitted testimony in support of this measure.

Your Committee finds that this measure will assist the enforcement and regulation of the fireworks control law.

Upon further consideration, your Committee amended this measure to conform section 7 and section 16 to the other sections of the measure, so that the amendments under those sections apply to aerial devices, display fireworks, and articles pyrotechnic.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2667, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 2416 (Joint/Majority) Higher Education, Labor and Intergovernmental Affairs on S.B. No. 2959

The purpose of this measure is to enact a manpower development and training program under the community college system to train skilled workers for various industries in the State.

Your Committees received testimony in support of this measure from the University of Hawaii and the Economic Development Alliance of Hawaii. Testimony in opposition was received from the Department of Labor and Industrial Relations and the Hawaii Government Employees Association. Comments were submitted by the Attorney General.

Your Committees find that the community colleges were established to provide greater educational opportunities for residents of Hawaii, regardless of previous educational preparation. The University of Hawaii has embraced this mission through the community colleges, which have evolved and developed educational programs and services to meet the needs of a changing economy.

Career and technical education, including apprenticeship education and job upgrade training, has been a major component of the community colleges from their inception in 1964. The community colleges are the only resource in Hawaii that prepares and reeducates Hawaii's changing workforce, by providing short-term training and awarding certificates and associate degrees in more than 120 different specialty areas. In addition, the employment training center, a program of the community colleges, has developed considerable knowledge and expertise in working with hard-to-serve non-traditional students in a focused job preparation setting.

From 2003 to 2005, Hawaii was selected as one of eight states to participate in the National Governors Association *Pathways to Advancement Policy Academy* project, focusing on the need to change state higher education, workforce development, and welfare policies to help more adults obtain postsecondary credentials.

Your Committees thus find the community colleges to be the lead agency in manpower development and training.

Your Committees have amended this bill by:

- (1) Incorporating the provisions, except references to a construction academy, of H.B. No. 2180, HD1, which establishes a rapid response development and training program within the community colleges system; and
- (2) Making technical, nonsubstantive amendments for clarity, style, and proper drafting.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2959, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, 1 (Trimble). Excused, none.

SCRep. 2417 (Joint/Majority) Transportation and Government Operations and Labor on S.B. No. 2914

The purpose of this measure is to prohibit a state agency or a program or activity that receives state or county funds from excluding from participation, denying benefits to, or discriminating against a person with a lack of proficiency in English.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, the Department of Health, Hawaii Civil Rights Commission, Na Loio, Domestic Violence Clearinghouse and Legal Hotline, United Filipino Council of Hawaii, American Cancer Society, Kokuua Kalihi Valley Comprehensive Health Center, Catholic Charities Hawaii, Inter-Agency Council for Immigrant Services, Nursing Advocates and Mentors, Inc., Filipino Social Workers of Hawaii, Asian American Network for Cancer Awareness, Research, and Training, Filipino Coalition for Solidarity, Gumil Hawaii, Filipino Women's Business Association, Sakada Foundation, Ilokos Norte Aid Association, Laoag City Circle of Hawaii, Filipino Women's Civic Club, Philippine Nurses Association – Hawaii, Oahu Filipino Community Council, and sixty-nine individuals.

Your Committees find that substantial numbers of people who live, work, and pay taxes in this State are unable to communicate effectively with their government, either because they do not speak or write English, or because their primary language is not English. Likewise, employees of state and local government agencies are often unable to communicate with these individuals who require their services. Consequently, a significant portion of our population is essentially denied the rights and benefits which they would otherwise receive.

The issue of access to state services for persons of limited English proficiency is not new in Hawaii. In order to provide access to services, a two-prong approach is necessary. First, an affirmative commitment of funds and resources must be made to plan, develop, and implement policies and systems in the executive branch to provide meaningful access to services. Second, enforcement provisions must be enacted making it a violation of state law to deny or fail to provide access to services based on limited English proficiency, with jurisdiction in the Hawaii Civil Rights Commission. Together these approaches would reflect the State's commitment to providing meaningful access to services for limited-English-proficiency individuals.

It is the intent of your Committees to provide effective and timely communication between all levels of government and individuals who are precluded from using public services due to language barriers.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to create a new part within chapter 368, HRS, that:
 - (A) Requires a covered entity, as defined in the new part, to:
 - (i) Provide timely oral language services to persons with limited or no English proficiency who seek access to services of the covered entity;
 - (ii) Inform the public of the language services;
 - (iii) Collect data on and determine the language services needed;
 - (iv) Provide timely translations of vital documents into any non-English language spoken by a person of a limited or no English proficiency population of a specified size;
 - (v) Post multilingual signs in all offices where services are provided to inform individuals of their right to free language assistance services; and
 - (vi) Establish a plan for language access through administrative rules with the language access director, the language access advisory council, and the entity's coordinator for language access;
 - (B) Exempts the Legislature, commission, departments, or other covered entities to which the part applies from translating meeting notices, agendas, or minutes from meetings or hearings;
 - (C) Requires the department of labor and industrial relations to provide oversight, coordinate, and assist covered entities in complying with the law;
 - (D) Establishes a language access director position to coordinate and supervise activities under the part; and

- (E) Establishes a language access advisory council to serve in an advisory capacity to the language access director; and
- (2) Inserting a blank appropriation to hire and maintain an office of language access director and maintain a language access advisory council.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2914, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2914, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 3 (Hee, Ihara, Whalen).

SCRep. 2418 Labor on S.B. No. 2273

The purpose of this measure is to amend the law relating to the employees' retirement system (ERS) to clarify and correct existing language, to conform statutes to current practices, and to include language previously omitted from prior legislation.

Among other things, this measure:

- (1) Establishes a new definition for:
 - (A) "Child or children," to include children living with an ERS member in a parent-child relationship with the member being the guardian or having legal and physical custody over the child or children;
 - (B) "Active member";
 - (C) "Accidental death," to apply to all membership plans; and
 - (D) "Ordinary death," to apply to all membership plans;
- (2) Amends the definition for:
 - (A) "Beneficiary"; and
 - (B) "Retirement allowance";
- (3) Clarifies that the credited service of a contributory plan member who has not vested is forfeited and the member's contributions are returned if the member does not return to service within four calendar years following the year the member's employment terminated;
- (4) Allows former contributory plan members and returning nonvested contributory plan members whose accumulated contributions total more than \$1,000 to leave their contributions in the system until they reach the age of sixty-two;
- (5) Clarifies the method for calculating the nontax-qualified benefit for highly compensated individuals who had accrued pension benefits prior to July 1, 2004;
- (6) Clarifies when and under what circumstances beneficiary designations may be changed and when the designations are irrevocable;
- (7) Requires claims for accidental and ordinary death benefits to be made within three years of the member's death;
- (8) Replaces "recklessness" as grounds for disqualification for accidental death benefits under the noncontributory plan with the "wilful negligence" standard of the contributory and hybrid plans;
- (9) Clarifies that accumulated sick leave is not to be included in determining the amount of credited service for vesting purposes;
- (10) Allows a former employee, who has vested in the contributory plan, to withdraw the employee's contributions at any time;
- (11) Allows the board to use limited liability companies as an investment vehicle;
- (12) Clarifies that employers of members called to active duty do not have to make contributions until the member returns to work or dies in military service and that a member who dies on active duty shall accrue service credit until the date of death;
- (13) Clarifies that a member who dies while on active military duty shall receive benefits in the same manner as if the member had died while on any other authorized leave without pay;
- (14) Allows for termination of a member's eligibility for benefits under the Servicemen's Act after five years;

- (15) Prohibits a member who returns to service from electing to become a noncontributory plan member after class H service is established on July 1, 2006;
- (16) Allows a member who is on active duty outside of the State on February 28, 2006, to have thirty days after the member returns to work to make an election regarding participation in class H service; and
- (17) Changes the June 30, 2006 deadline for members to restore forfeited service credit and claim membership service in order to be eligible for conversion to class H service to an unspecified date to be determined by the board.

Testimony in support of this measure was submitted by the ERS and the Hawaii State Teachers Association.

Your Committee finds that it is important to modify the laws to improve and streamline the ERS. Your Committee further finds that the proposed amendments offered in this measure are important in clarifying and augmenting the system to provide and maintain a quality pension system for public employees in Hawaii.

Your Committee has amended this measure by making numerous technical, nonsubstantive changes to correct terminology, to accurately reflect the language of the Hawaii Revised Statutes, to reflect proper and preferred drafting style, and to provide further clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2273, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2419 Labor on S.B. No. 2416

The purpose of this measure is to allow individuals who have retired from public service with the State or any county to be rehired by the State or any county without the loss or suspension of retirement benefits.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Department of Education, the Department of Human Resources for the City and County of Honolulu, the Department of Civil Service for the County of Hawaii, the Office of the Mayor for the County of Hawaii, and the Department of Personnel Services for the County of Maui.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Comments on the measure were also submitted by the Employees' Retirement System.

Your Committee finds that the current labor pool is decreasing in Hawaii, yet the need for qualified individuals to work for the state and local governments remains constant. Your Committee recognizes that the changing demographics of the current workforce have resulted in an aging workforce with many workers becoming eligible for retirement with full benefits. The utilization of retired government employees will provide a short- and long-term solution to the current workforce deficits that have been created by an increased number of retirements, positions in a labor shortage category, and positions categorized as hard-to-fill. Your Committee determines that public employees who retire from public service, having earned their retirement benefits, should be able to return to work for the State or local governments without jeopardizing or sacrificing those benefits.

Your Committee understands that there are concerns regarding the possibility that this measure could encourage individuals to retire earlier than they might otherwise. Although it does not seem likely that a mass exodus of employees will occur as a result of this measure, your Committee believes that clarification about the types of positions for which a retiree may be re-employed by the State or county and the inclusion of a wait period after retirement will help to address this concern.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that a retiree's re-employment is only for critical-to-fill or labor shortage positions;
- (2) Requiring a retiree to be retired for a period of at least one year prior to becoming eligible for re-employment; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2420 Labor on S.B. No. 2021

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

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Hawaii State Teachers Association. Comments on the measure were also submitted by the EUTF.

Your Committee finds that public employees who have retired from service and are entitled to health benefits coverage under the law should not be deprived of continued coverage because they relocate beyond the EUTF's current coverage area. These retired employees provided years of service to our government and should benefit from their hard work through the continued provision of health care coverage regardless of their physical location. According to the EUTF, only a small number of retired members of the EUTF reside in areas that may be beyond the EUTF's coverage. These members must enroll in alternate health coverage plans, which often requires the payment of high premiums.

Therefore, your Committee determines that in the interest of equity and fairness, reimbursement should be made for health benefits coverage for retired individuals who reside beyond the coverage of the EUTF. Your Committee also determines that the reimbursement should be more closely tied to the actual amount of the personal health policy or the most comparable plan under the EUTF.

Accordingly, your Committee has amended this measure by:

- (1) Requiring reimbursement of the lesser amount of the actual amount of the personal health insurance policy or the amount of the state or county contribution for the most comparable health benefits plan; and
- (2) Changing the effective date of the Act to July 1, 2007, to allow the EUTF adequate time to comply with the law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2421 (Majority) Labor on S.B. No. 3021

The purpose of this measure is to prohibit an employer or labor organization from discharging, withholding pay from, demoting, or otherwise disciplining an employee with a serious health condition who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or valid employment policy.

This measure also:

- (1) Establishes procedures for an aggrieved employee to file a complaint against an employer in violation of the law;
- (2) Provides for penalties for an employer in violation of the law; and
- (3) Provides an aggrieved party the opportunity for judicial review of an order of the department of labor and industrial relations.

Testimony in support of this measure was submitted by the ILWU Local 142, the Hawaii State AFL-CIO, the IBEW Local 1186, the IBEW Local 1260, the IBEW Local 1357, the Hawaii State Teachers Association, and one individual. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, the Chamber of Commerce of Hawaii, Hawaii Pacific Health, and the Society for Human Resource Management – Hawaii Chapter. Comments on the measure were also submitted by Hawaiian Telcom.

Your Committee finds that although many employers offer their employees sick leave benefits, the ability of the employees to legitimately make use of their sick leave benefits may be hampered by employees feeling threatened if they take their sick leave which subjects them to discipline under an attendance policy. The implementation of no-fault attendance policies seems to unfairly penalize an employee who exercises the right to use accrued and available sick leave when the employee is ill or injured. The result of this type of policy can be that an employee is unjustly punished or otherwise prevented from further advancement. Your Committee believes that an employee who abuses sick leave benefits and an employee who appropriately utilizes sick leave benefits, including by providing proof of illness or injury from a physician, should not be treated in the same manner.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the section that created a new part within chapter 378, Hawaii Revised Statutes, to:
 - (A) Prohibit employers or labor organizations from penalizing employees with a serious health condition from utilizing accrued and available sick leave;
 - (B) Establish procedures for an aggrieved employee to file a complaint against an employer in violation of the law;
 - (C) Establish penalties for an employer in violation of the law; and
 - (D) Provide an aggrieved party the opportunity for judicial review of an order of the department of labor and industrial relations; and

- (2) Amending subsection 378-32, Hawaii Revised Statutes, to:
- (A) Prohibit an employer or labor organization from penalizing an employee that utilizes accrued and available sick leave;
 - (B) Require an employee who uses more than one day of sick leave to provide the employer with written validation of an illness or injury from the employee's physician;
 - (C) Allow the employer to require the employee to be medically evaluated by a physician if the employee has used more than one day of sick leave on at least three separate occasions during the prior six-month period; and
 - (D) Exclude from liability actions by an employer or labor organization that are in accordance with a valid, negotiated attendance policy.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3021, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2422 (Majority) Labor on S.B. No. 3033

The purpose of this measure is to require a successor employer or entity of a covered establishment to retain one hundred percent of the incumbent, nonsupervisory, and nonconfidential employees in the event of divestiture.

This measure also:

- (1) Establishes procedures for the retention of incumbent employees;
- (2) Provides for the retention of less than one hundred percent of incumbent employees when the new business is substantially dissimilar from the former business;
- (3) Establishes penalties for the failure of a successor employer or entity to comply with the retention requirements of the law; and
- (4) Requires an employer of a covered establishment to provide the employees and the director of labor and industrial relations written notification of divestiture at least sixty days prior to divestiture.

Testimony in support of this measure was submitted by the ILWU Local 142, the Hawaii State AFL-CIO, the IBEW Local 1186, the IBEW Local 1260, the IBEW Local 1357, the Hawaii State Teachers Association, and two individuals. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, and the Society for Human Resources Management – Hawaii Chapter.

Your Committee finds that over the past several years, the state of the economy has resulted in the closure or transfer of ownership of many businesses in Hawaii. This phenomenon has left displaced workers throughout the State, forcing many to rely on state services for their survival and welfare. Your Committee further finds that these displaced workers are often dedicated employees who have served in their positions for extended periods of time. These employees are the backbone of the operations and their displacement upon the transfer of business ownership is burdensome and often unnecessary, particularly when no change in the type of business conducted occurs. On the other hand, when the type of business conducted changes with the new ownership, the retention of all incumbent employees is not always necessary or prudent, although a reasonable number of incumbent employees should still be retained.

Your Committee determines that the retention of incumbent workers is healthy for the State's economy because it provides stable employment for Hawaii workers and efficient, uninterrupted service to consumers.

Accordingly, your Committee has amended this measure by making technical, nonsubstantive changes to accurately reflect the language of the Hawaii Revised Statutes, to reflect proper and preferred drafting style, and to provide further clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3033, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2423 (Joint) Labor and Higher Education on S.B. No. 304

The purpose of this measure is to appropriate funds to the University of Hawaii nursing programs for the creation of faculty and support positions for the development of a qualified nursing workforce to meet Hawaii's health care needs.

Testimony in support of this measure was submitted by the School of Nursing and Dental Hygiene of the University of Hawaii at Manoa, the University of Hawaii Statewide Nursing Consortium, the Hawaii State Center for Nursing, the Hawaii Nurses' Association, the Hawaii Dental Hygienists' Association, the Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO, Healthcare Association of Hawaii, the Queen's Medical Center, Hale Makua, Hale Halawai Ohana O Hanalei, Hawaii Pacific Health, the Student Nurse Organization of the University of Hawaii at Manoa, and sixteen individuals.

Your Committees find that studies indicate that there will be a twenty percent national shortage of qualified nurses by 2020. In Hawaii, the projected shortage of nurses is expected to increase from 1,518 in 2005 to 2,267 in 2010. A nursing shortage is highly detrimental to any population, especially in Hawaii where we have an aging population that is growing faster than any other state in the country. Your Committees further find that growing within our aging population is also an aging nursing workforce. Your Committees believe that a concentrated effort to develop Hawaii's nursing workforce is critical to ensuring the provision of quality health care in hospitals, nursing homes, hospices, clinics, and other health care settings.

Your Committees recognize that nursing schools are the gateway to the nursing workforce, and our nursing programs must be adequately supported to sustain a stable nursing workforce. Your Committees believe that it is important to grow our own local nursing workforce, as the recruitment of nurses from outside of the State can have negative consequences, including the increased cost of health care. Although the University of Hawaii nursing programs have developed a plan for increasing the educational capacity for nursing and dental hygiene programs, the funding necessary to support the plan must also be provided for the revitalization of the Hawaii nursing workforce to be successful.

Your Committees have concerns regarding the large number of positions requested, the amount of funding requested, and the ability to fill the positions requested in a timely manner. However, your Committees are committed to further exploring and resolving the issues as this measure continues to advance throughout the legislative session.

Accordingly, your Committees have amended this measure by:

- (1) Removing the specific number of positions requested for the establishment of faculty and staff positions within the University of Hawaii nursing programs under this measure;
- (2) Removing the appropriation amounts and including blank appropriation amounts for the funding requests for the University of Hawaii nursing programs;
- (3) Changing the effective date of the Act to July 1, 2050 to allow further discussion on the matter; and
- (4) Making a technical, nonsubstantive amendment for purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 304, S.D. 1, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 304, S.D. 2.

Signed by the Vice Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Baker, Sakamoto, Taniguchi).

SCRep. 2424 Media, Arts, Science and Technology on S.B. No. 2222

The purpose of this measure is to amend the State's tax laws to allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement and consequently collect taxes from electronic commerce transactions.

Testimony in support of the measure was received from the Hawaii Government Employees Association, the Retail Merchants of Hawaii, the Hawaii Association of Realtors, and an accounting firm. The Department of Taxation, the National Association of Insurance and Financial Advisors, and the Tax Foundation submitted comments.

Your Committee finds that, in 2003, the State lost approximately \$115,000,000 in state and local revenue because of an inability to collect use taxes on out-of-state retail transactions, including online sales. Those estimates increase to approximately \$200,000,000 by the year 2008.

In response to this data, the Legislature enacted chapter 255D, Hawaii Revised Statutes, the Hawaii Simplified Sales and Use Tax Administration Act. The Act essentially directed the Department of Taxation to enter into streamlined sales and use tax agreements with other states to simplify and modernize the administration of sales and use taxes. The modernization included, among other things, a system to prevent the widespread nonpayment of sales and use taxes owed from out-of-state retail transactions.

Your Committee finds that the implementation of the Streamlined Sales and Use Tax in Hawaii would benefit the State by:

- (1) Increasing the revenue to the General Fund; and
- (2) "Leveling the playing field" for local retailers by bringing equity to the State's retailers that lose sales to Internet or mail order commerce.

The Department of Taxation and the Tax Foundation expressed concern over the following issues regarding the implementation of the Streamlined Sales and Use Tax:

- (1) Added complexity to the State's existing tax system due to Hawaii's use of a general excise tax rather than a sales tax. As such, the State's general excise tax system would have to be significantly modified to accommodate the Streamlined Sales and Use Tax Agreement;
- (2) Providing amnesty to out-of-state sellers that may or may not have a nexus with the State. Doing so would mean that the State would give up its right to pursue these sellers for general excise tax liability on their operations in the State;
- (3) The State must compensate remote sellers who participate in the Streamlined Sales and Use Tax Agreement, but local sellers are not compensated for collecting and paying the tax;
- (4) The State is limiting its ability to adopt legislation that departs from the Streamlined Sales and Use Tax Agreement and its governing board;
- (5) The City and County of Honolulu would have to conform its general excise tax surcharge if the Streamlined Sales and Use Tax Agreement is implemented;
- (6) Under the Streamlined Sales and Use Tax Agreement, the definition of "gross proceeds of sale" would need to be changed to "sales price." Doing so may result in a loss of revenue;
- (7) ITIMS (the Department of Taxation's computer system) is geared to general excise tax and would need major renovations for sales tax or different sourcing rules and modifying ITIMS to accommodate the implementation of the Streamlined Sales and Use Tax Agreement would complicate future development and maintenance; and
- (8) Implementing the Streamlined Sales and Use Tax Agreement would jeopardize or increase risk to other on-going initiatives like imaging, electronic filing, tax law changes, and upgrades.

Your Committee understands the concerns raised by the Department of Taxation and the Tax Foundation. However, your Committee believes that many of the concerns are readily ameliorated and that this measure and the Streamlined Sales and Use Tax Agreement actually address each concern as follows:

- (1) With regard to the issue of added complexity, the legal incidence of the general excise tax is on the seller, but one-third of sales tax jurisdictions also impose the legal incidence of their tax on the seller, so the claim is factually incorrect. The creation of three new tax chapters, as proposed under this measure, actually makes tax compliance simpler for taxpayers because the different tax rates will be in different chapters, as opposed to being buried in a single chapter with all of the different rates (4%, .5%, .15%);
- (2) With regard to amnesty, the reality is that many remote sellers cannot be found. Amnesty dispenses with the need for extensive auditing and the allocation of human resources in exchange for prospective compliance. There are now three hundred twenty-five sellers who participate in the Streamlined Sales and Use Tax Agreement, which will provide a rich base for enhanced collections. In addition, amnesty could also be extended to local sellers to level the playing field;
- (3) With regard to remote seller compensation, this is a misunderstanding of the Streamlined Sales and Use Tax Agreement's Certified Service Provider model, where the State is required to compensate the Certified Service Provider, not the taxpayers. In recent commentary, states were advised to get used to paying for this service, as it will likely be mandated when federal legislation is enacted;
- (4) With regard to the State limiting its ability to adopt legislation that departs from the Streamlined Sales and Use Tax Agreement and its governing board, Hawaii, of all states, needs the least amount of changes to its tax laws for Streamlined Sales and Use Tax Agreement conformity. This is due to the existence of very few, different tax rates. The State:
 - (A) Has a large tax base without the food or medical exemptions;
 - (B) Already conforms to destination sourcing; and
 - (C) Already centralizes tax administration.

Most general excise tax legislation deals with exemptions and pyramiding relief, which would not be impacted by the Streamlined Sales and Use Tax Agreement, provided definitions are consistent;

- (5) With regard to the issue that the City and County of Honolulu will need to conform to state law, your Committee believes conformity is beneficial, as the biggest complaint of businesses in other states concerns having to contend with thousands of different taxing jurisdictions that lack uniform rates, exemptions, sourcing, and tax bases;
- (6) With regard to changing the definition of "gross proceeds of sale" to "sales price," your Committee believes that the definition of "sales price" under the Streamlined Sales and Use Tax Agreement is at least as encompassing as the State's existing definition of "gross proceeds of sale";
- (7) With regard to ITIMS needing major renovations for sales tax or different sourcing rules and that modifying ITIMS will complicate future development and maintenance, the new tax regime, like the old, would rely on the self-assessment system, whereby taxpayers report sales, income, sourcing, and exemptions. The computer fields would remain the same. Taxpayers would still have to report the numbers in those fields. In addition, the computer system would not be affected by amendments

to sourcing rules, definitions, and other policy determinations. Your Committee believes that the ability to access previously uncollectable tax revenues outweighs the issue of ITIMS modification concerns; and

- (8) With regard to the issue that implementing the Streamlined Sales and Use Tax Agreement would jeopardize or increase risk to other on-going initiatives like imaging, electronic filing, tax law changes, and upgrades, your Committee notes that, even without implementing the Streamlined Sales and Use Tax Agreement, there are tax law changes and new forms every year, mostly for net income tax, not the general excise tax. Consequently, there will most likely be fewer changes with sales tax than income tax, especially when compared to the 2005 income tax law changes made by Congress.

Your Committee has amended the measure by:

- (1) Defining “direct mail” and inserting language to govern the taxation of direct mail sourcing transactions;
- (2) Replacing references to “agents, general agents, subagents, or solicitors” with the term “insurance producers” in the section of the measure that establishes the apportionment of tax for insurance producers to conform the terminology to that of the Insurance Code;
- (3) Inserting two new sections that amend sections 237-8.6 and 238-2.6(a), Hawaii Revised Statutes, to clarify that a county of the State shall not conduct an independent tax audit of any seller registered under the Streamlined Sales and Use Tax Agreement;
- (4) Rewording the “tax rounding rule” to make it universally applicable to not only tax returns, as it is currently utilized, but also to the amount of tax applied to the sale of a product or service;
- (5) Inserting provisions that govern customer refund procedures under the Streamlined Sales and Use Tax Agreement;
- (6) Inserting an appropriation to the Auditor for the purpose of contracting the services of tax and accounting experts to assist in finalizing and implementing the Streamlined Sales and Use Tax Agreement;
- (7) Allowing contractors contracted by the Auditor to support implementation of the Streamlined Sales and Use Tax Agreement to inspect and receive tax returns, abstracts of tax returns, and other information contained in tax returns, but only for the purpose of conforming the State’s general excise and use taxes to the Streamlined Sales Tax Project’s Model Agreement and Act; and
- (8) Making numerous technical, nonsubstantive amendments for the purposes of clarity, consistency, style.

Your Committee notes that the majority of substantive amendments made to the measure were executed to ensure conformance with the requirements of the Streamlined Sales and Use Tax Agreement. In addition, your Committee believes that the appropriation to the Auditor is necessary so that the Auditor and the Auditor’s contractors may continue their work on ensuring compliance with the Streamlined Sales and Use Tax Agreement.

Your Committee wishes to emphasize that the State must recognize that shopping patterns are changing, and changing rapidly, especially in geographically remote areas like Hawaii. The State cannot ignore this, and the Streamlined Sales and Use Tax Agreement will enable the Department of Taxation and local sellers to keep up with the advances in technology.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2425 Media, Arts, Science and Technology on S.B. No. 2200

The purpose of this measure is to:

- (1) Establish a registry of children’s electronic contact points to which unsolicited messages regarding pornography, illegal or prescription drugs, alcohol, tobacco, gambling, firearms, and fireworks may not be sent;
- (2) Make sending a message to a registered electronic contact point a class C felony; and
- (3) Authorize a civil penalty of \$5,000 per unsolicited message of that type.

Your Committees received testimony in support of this measure from Unspam, the Hawaii Family Forum, Blueprint for Change, the Ohana Project, and nine private individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, the U.S. Smokeless Tobacco (USST) Company, ValueClick, Inc., and a private individual. The Department of Commerce and Consumer Affairs, the Office of the Auditor, the Office of Information Practices, the Email Sender and Provider Coalition (ESPC), and the Wine Institute submitted comments.

A registry of children’s electronic contact points is critical for parents and law enforcement officials to protect children. A registry will provide safeguards and contact points for schools and parents to access their children without dangerous and inappropriate messages from Internet abusers. Your Committee finds that a registry is a good first step in protecting children from the dangers of the

harmful messages that are available on the Internet and amending the law will allow stricter penalties for those who send out harmful messages to children.

The Department of the Attorney General has raised concerns regarding this measure. The Department is concerned that the measure fails to articulate what constitutes the mechanism to ensure compliance with the new part established by the measure and what constitutes compliance with the new part or the registry. Another concern of the Department is that the measure's characterization of a violation established in the new part as a "computer crime" appeared inappropriate for certain violations. Finally the Department raised concerns over enforcement issues regarding the "primary purpose" of an email.

The Department is also concerned that the measure raises First Amendment issues with regards to its impact on commercial speech. The measure prohibits sending a message to a contact point if the primary purpose of the message is to advertise or induce the sale of a project or service that the law prohibits a minor from purchasing, viewing, possessing, participating in, or otherwise receiving. The Department points out that advertising the availability of these types of products or services is not illegal. Minors are exposed daily to print and media advertisements regarding alcohol and tobacco, not to mention shows that depicts actual gambling events.

In light of the issues raised in the testimony submitted, your Committee finds that these issues merit further consideration and dialogue. Accordingly, your committee has amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2200, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2426 Media, Arts, Science and Technology on S.B. No. 2742

The purpose of this measure is to exclude from gross income, adjusted gross income, and taxable income the amounts received by performers, promoters, or broadcasters for live performances.

Your Committee received testimony in support of this measure from two private attorneys and a local musician. The Department of Taxation submitted comments.

Hawaii has a rich cultural heritage, and music has always been an integral part of that heritage. The State's music community adds immeasurably to the State's quality of life. A tax incentive for live performances will encourage more musical performances and further enrich the State's cultural heritage.

An income tax exemption for the amounts earned by performers, promoters, and broadcasters for live performances conducted in the State will help the State's economy, protect and promote the State's rich cultural legacy, and help the State's performing arts community. Music is one of the factors that make Hawaii special and attracts tourists to visit Hawaii. A tax incentive will not only promote the tourism industry, but will encourage national and international performers, promoters, and broadcasters to come to Hawaii to create and stage live musical and other performances. As a result, more live performances will attract more tourists and help the State's economy.

A tax incentive will also help the State's performing arts community. Despite a robust state economy, many of Hawaii's talented musicians are struggling to make ends meet. Musicians who work as independent contractors do not have medical insurance or other job benefits. Performance fees are small and have decreased over time. A tax incentive will provide financial assistance to this small but significant sector of the State's local economy.

Your Committee finds that amending section 235-7, Hawaii Revised Statutes, to allow for an income tax exemption for live performances conducted in the State will stimulate the economy, promote local cultural heritage, and provide performers with financial assistance.

Your Committee is aware that many local musicians in Hawaii struggle economically and that they receive little in return for their performances. A local performer submitted testimony to your Committee emphasizing that last year he gave sixty free performances for schools, non-profits organizations, environmental causes, and small businesses, but was not able to financially benefit from his community contributions.

The Department of Taxation raised a question in its submitted testimony with regards to the meaning of a "live performance." In light of this, your Committee has amended this measure to delete the definition of a "live performance" and specify that the performance must be a "live musical performance." Your Committee appreciates the efforts made by two private attorneys who cooperated in assisting your Committee amend this measure.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2742, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2427 (Joint) Education and Military Affairs and Labor on S.B. No. 2705

The purpose of this measure is to allow for the re-hiring of retired teachers within the Department of Education without the loss of retirement benefits for as long as the department has a declared shortage.

Your Committees received testimony in support of this measure from the Governor, the Hawaii Teacher Standards Board, and the Hawaii State Teachers Association. Comments in support of the intent of this measure were received from the Department of Education and the Hawaii Government Employees Association.

Your Committees find that as long as the department has areas of declared shortages, measures must be taken to support students and new teachers by tapping into the wealth of experience shared by teachers and administrators retired from the system. However, your Committees recognize that a material cost impact of this measure will be to increase the employees' retirement system's unfunded liability, as the system will be losing the employer contribution that would have been paid if the position were filled by an active employee. Therefore, to support continuity and stability, your Committees determine that the department should continue to remit its employer contribution to the system.

Your Committees have amended this measure by removing its five-year sunset provision, making retired administrators eligible for re-hiring, requiring the department of education to contribute 13.75% of the re-hired employee's compensation to the employees' retirement system, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2705, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2705, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Hooser, Ihara).

SCRep. 2428 (Joint) Education and Military Affairs and Labor on S.B. No. 3194

The purpose of this measure is to improve teacher incentives.

Specifically, this measure provides teachers with:

- (1) Income tax credits and incremental salary increases;
- (2) A comprehensive evaluation process;
- (3) New temporary licensing standards;
- (4) A new master teaching program; and
- (5) Enhancements to the national board certification incentive program.

Your Committees received testimony in support of the intent of this measure from the Department of Education, the University of Hawaii at Manoa, the Hawaii Teacher Standards Board, and twenty-seven individuals. Comments in opposition to this measure were received from the Departments of Taxation and Budget and Finance. Comments to this measure were received from the Hawaii State Teachers Association and the Tax Foundation of Hawaii.

Your Committees find that certain provisions in this measure required clarification, specifically, those relating to the various types of tax relief provided for teacher housing, the provision for time off given to teachers to pursue national board certification, and the amount of biannual salary increase for teachers earning more than \$50,000.

Your Committees have amended this measure by clarifying these provisions, by merging two sections that amended the same statute, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3194, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Hooser, Ihara).

SCRep. 2429 (Majority) Human Services on S.B. No. 2162

The purpose of this measure is to allow a child in foster custody to apply for a driver's license with the written consent of the Director of Human Services, to require the child's biological parents to pay for motor vehicle insurance on behalf of the child, and to authorize the payment of higher education board allowances to be paid directly to former foster children.

Your Committee received testimony in support of the measure from the Department of Human Services, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii Foster Youth Coalition, the Hawaii Youth Services Network, Legal Aid Society of Hawaii, and eighty-three individuals. The Hawaii Insurers Council submitted comments regarding this measure.

Your Committee finds that this measure gives foster children an opportunity to obtain a driver's license with the Director of Human Services' authorization; an opportunity they might not otherwise have because their biological parents are unavailable to grant permission. Your Committee further finds that this measure will remove the financial burden of providing vehicle insurance for a young driver from the foster parents by making the biological parents responsible for paying the costs of insuring their children, unless a court determines that the parents cannot pay, in which case the State shall provide the child with insurance coverage.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Kokubun).

SCRep. 2430 (Joint) Human Services and Health on S.B. No. 2166

The purpose of this measure is to allow a minor to consent to the provision of medical care and services under certain circumstances.

Your Committees received testimony in support of the measure from Blueprint for Change; Hale Kipa; HMSA; the Hawaii Medical Association; the Hawaii Primary Care Association; the Hawaii Youth Services Network; the Healthy Mothers, Healthy Babies Coalition of Hawaii; Planned Parenthood of Hawaii; and the Waikiki Health Center. Your Committees received testimony from the Hawaii Family Forum supporting the intent of the measure if it was amended to narrow its scope. Your Committees also received comments on the measure from Kaiser Permanente.

Your Committees find that minors cannot receive medical treatment without consent from a parent or guardian, which precludes some minors from obtaining necessary medical care. Minors affected by this limitation are those who live on their own without parental support, such as runaway, homeless, and street youth, as well as young people from Micronesia and other Pacific Islands who have moved to Hawaii on their own. Your Committees further find that current law allows minors between the ages of fourteen and seventeen to access medical care for family planning and contraceptives, pregnancy-related care, abortion services, and testing and treatment for sexually-transmitted diseases.

Your Committees have amended this measure by adding a provision to authorize the use of confidential communications for medical care and services obtained by a minor who is covered under a managed care plan or health insurance plan and by deleting archaic language regarding access to surgery and abortion services by minors. Your Committees also have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 2166, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2166, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2431 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 2323

The purpose of this measure is to require the district and family courts to establish and implement a federal revenue maximization program for services provided to the children under their jurisdiction who may be eligible for federal financial participation.

Your Committees received testimony in support of the measure from the Department of Human Services. The Judiciary submitted testimony in opposition to this measure.

Your Committees find that this measure will ensure that the State will receive the maximum possible federal funds for services provided by the Judiciary to children under the care of the State's district and family courts.

Your Committees have amended this measure to direct the Judiciary to work to establish a federal revenue maximum program and a memorandum of agreement with the Director of Human Services to develop and implement such a program, and to consider whether standardized modifications to court orders and judicial determinations are appropriate.

Your Committees also have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2323, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 2323, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2432 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 2334

The purpose of this measure is to make an emergency appropriation to ensure that funding for the operations of the Hawaii Youth Correctional Facility (HYCF) is maintained through the end of FY 2005-2006.

Your Committees received testimony in support of this measure from the State Attorney General, the Department of Human Services, and Hawaii Disability Rights Center.

The Department of Justice and the State have reached a comprehensive agreement addressing concerns relating to HYCF. The agreement requires a number of improvements requiring extensive steps to be taken to improve the facility. Your Committees find that further appropriations for these requirements are needed immediately, because the Governor has taken prompt action to satisfy the agreement.

Your Committees have amended this measure by making a technical, nonsubstantive amendment to clarify the expending agency.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2334, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2334, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2433 Human Services on S.B. No. 2681

The purpose of this measure is to appropriate funds to the Department of Human Services for hiring two temporary, part-time Micronesian language interpreters.

Your Committee received testimony in support of the measure from the Hawaii Primary Care Association. Your Committee received testimony in opposition to the measure from the Department of Human Services.

Your Committee finds that this measure will assist the Department of Human Services with providing effective services to all of its clients, including its non-English speaking constituents.

Your Committee has amended this measure by broadening the scope of the measure to fund contracts with interpreters for a range of languages, rather than for only the Micronesian language.

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. 2681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2681, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2434 Human Services on S.B. No. 2688

The purpose of this measure is to ensure adequate youth correctional facility staff training and to revise the duties and responsibilities of regional advisory boards.

Specifically, this measure requires the Executive Director of Youth Services to implement policies and procedures, protocols, and a quality assurance program that comport with national best practices in juvenile justice to ensure that the staff at the Hawaii youth correctional facility is adequately trained in key areas. These areas include suicide prevention, the proper use of force, and working with children with special needs, mental health disorders, substance abuse issues, or a combination thereof.

Your Committee received testimony in support of the measure from Blueprint for Change, the Hawaii Juvenile Justice Project, and Hawaii Youth Services Network. The Office of Youth Services and the Department of the Attorney General submitted comments regarding this measure.

Your Committee finds that the State and the United States Department of Justice have executed a Memorandum of Agreement regarding improvements to bring the Hawaii Youth Correctional Facility into federal compliance.

Accordingly, your Committee has amended this measure to include a caveat that nothing in this measure is intended to require the Department of Human Services or the Office of Youth Services to take any action that conflicts with any provision of the foregoing Memorandum of Agreement.

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. 2688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2688, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 2435 (Joint) Human Services and Education and Military Affairs on S.B. No. 2795

The purpose of this measure is to repeal the transfer of functions from the Department of Human Services to the Department of Education regarding employment background checks for the after-school plus program, private vendors, and other employees and trainees who work with public school students.

Your Committees received testimony in support of the measure from the Department of Human Services and the Department of Education. Your Committees also received comments on this measure from the Department of the Attorney General and the Hawaii Government Employees Association.

Your Committees find that this measure supports the findings of the interagency working group and will promote the efficient functioning of state government.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2795, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2795, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2436 (Joint/Majority) Human Services and Education and Military Affairs on S.B. No. 2861

The purpose of this measure is to establish the federal revenue maximization special fund to collect and disburse revenue for medicaid-eligible health services provided by the Department of Education to public school children.

Your Committees received testimony in support of the measure from the Department of Education and the Department of Human Services.

Your Committees find that this measure ensures that moneys generated by the federal revenue maximization program will be dedicated to support the Department of Education's efforts to recover reimbursements for medicaid-eligible services provided to Hawaii's school-aged children.

Your Committees have amended this measure by amending the purpose section to indicate that moneys collected under the program currently are deposited into the general fund and that there is no assurance that the funds will be dedicated to the program. Your Committees also have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2861, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2861, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 2437 (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 3003

The purpose of this measure is to enable more people to qualify for the state pharmacy assistance program by increasing allowable income and repealing the asset test, to require the Department of Human Services to provide enrollees with counseling about prescription drug plans, and to repeal rebate-contingent funding limitations.

Your Committees received testimony in support of the measure from AARP Hawaii and the Policy Advisory Board for Elder Affairs. The Department of Human Services submitted comments.

Your Committees find that this measure allows the State to use funds received under a rebate agreement with a prescription drug manufacturer or labeler, to the extent allowed by federal law, as a revenue source for the program. Your Committees further find that this measure extends eligibility for the state pharmacy assistance program to people with up to one hundred fifty percent of the federal poverty level.

Your Committees have amended this measure by:

- (1) Reducing the eligibility limitation from two hundred percent to one hundred fifty percent of the federal poverty level;
- (2) Repealing language making the State's obligation to pay benefits under the State Pharmacy Assistance Program (SPAP) contingent upon the receipt of adequate revenues from prescription drug rebates;
- (3) Adding a caveat that any prescription drug rebate agreement shall not conflict with federal law;
- (4) Deleting provisions relating to benefits for eligible participants with incomes between one hundred fifty and two hundred percent of the federal poverty level;
- (5) Inserting an effective date of July 1, 2050 to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees also raise the following issues and concerns for further consideration by your Committee on Ways and Means:

- (1) Whether the asset test should be repealed or retained;
- (2) The necessity of mandating the Department of Human Services to provide outreach and counseling, which currently are a function of SAGE Plus;
- (3) The effect of mandating the Department of Human Services to advocate on behalf of SPAP beneficiaries with respect to eligibility, coverage, and formulary exceptions and appealing adverse determinations relating to Medicare prescription drug plan enrollment, eligibility, subsidy eligibility and benefit levels, coverage, and formulary exceptions; and
- (4) The effect of requiring the Department of Human Services to pay for prescription drugs that are not on the formulary but that are covered by Medicare Part D.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2438 (Joint) Human Services and Health on S.B. No. 3202

The purpose of this measure is to expand coverage under Medicaid and QUEST to include comprehensive dental coverage for eligible persons twenty-one years of age or older and to appropriate funds to provide the additional coverage.

Your Committees received testimony in support of the measure from the State Council on Developmental Disabilities, the Department of Human Services, The Bay Clinic Community Health Centers, Blueprint for Change, the Hawaii Dental Association, the Hawaii Disability Rights Center, the Hawaii Long Term Care Association, the Hawaii Primary Care Association, the Hawaii Psychiatric Medical Association, Mental Health Association in Hawaii (MHAH), and the Waipahu Aloha Clubhouse.

Your Committees find that oral health is vital to a person's overall wellbeing and that poor dental hygiene can result in other health problems. Your Committees further find that the Department of Human Services has submitted executive supplemental budget requests in HMS 230 and HMS 245 to combine federal and state funds to restore the dental benefit that existed for adults in the Medicaid program prior to 1996.

Your Committees intend the dental benefits to allow comprehensive preventive care to include at least one exam, cleaning, and set of x-rays each year, plus dentures and any necessary fillings and crowns.

Your Committees have amended this measure by adding a definition of "comprehensive coverage" and by making 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 are in accord with the intent and purpose of S.B. No. 3202, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3202, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2439 Human Services on S.B. No. 3229

The purpose of this measure is to appropriate funds for the chore services program.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii Disability Rights Center, an individual who is a member of the Kokua Council, and an individual who is a member of the Policy Advisory Board for Elder Affairs (PABEA).

Your Committee finds that this measure will support and expand the chore services program to assist Hawaii's elderly and disabled population and will eliminate the program's waiting list.

Your Committee has amended this measure by inserting the figure of \$4,056,471.

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. 3229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3229, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2440 Human Services on S.B. No. 3246

The purpose of this measure is to increase the level of care payment for adult residential care providers.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii Coalition of Care Home Administrators, the Hawaii Disability Rights Center, the Primary Care Providers of Hawaii, and the United Group of Home Operators.

Your Committee finds that this measure will provide adult residential care home operators with a long-overdue increase in the level of care payment while minimizing the effect of the increase on compliance with the Maintenance of Effort Agreement between the Department of Human Services and the Social Security Administration. Accordingly, the rate increase will be effective on January 1, 2007, because the Maintenance of Effort Agreement is based on the calendar year, rather than the State's fiscal year. Your Committee further finds that the payment authorized for July 1, 2006 is cost-neutral to the State because it uses funds already appropriated for State Supplemental Payments, which must be expended by the end of 2006 under the Maintenance of Effort Agreement.

Your Committee has amended this measure by:

- (1) Directing the Department of Human Services to make a payment on July 1, 2006, and thereafter as the Director determines a need, to individuals receiving State Supplemental Payments, using the unexpended portion of State funds that have been appropriated for level of care payments;
- (2) Reinstating the statutory language that provides level of care payment maximums; and
- (3) Inserting the figure of \$1,350,000 in the appropriation section.

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. 3246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3246, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2441 Human Services on S.B. No. 3253

The purpose of this measure is to establish a joint legislative committee on family caregiving.

Your Committee received testimony in support of the measure from the Maui County Office on Aging, and two individuals.

This measure requires the joint legislative committee to solicit input from the Department of Health, the Department of Human Services, the Department of Taxation, the University of Hawaii, the Executive Office on Aging, and representatives from the elderly, disabled, business, and faith-based communities and to develop comprehensive public policy regarding family caregivers. Your Committee finds that such a policy will be of great benefit to state residents.

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. 3253 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2442 Health on S.B. No. 2577

The purpose of this measure is to appropriate funds to the Waianae Coast Comprehensive Health Center to maintain emergency room hours of operation from midnight to 8:00 a.m.

Your Committee received testimony in support of the measure from the Department of Health and the Waianae Coast Comprehensive Health Center.

Your Committee finds that the need for twenty-four-hour emergency room service for the Waianae population of over forty-two thousand residents continues to accelerate. Every community marketing study conducted by the Waianae Coast Comprehensive Health Center lists the availability of twenty-four-hour emergency medical services as the highest concern. Your Committee further finds that the Center is the only available medical facility in the area equipped to handle emergencies and to stabilize victims of serious trauma. Its emergency room is one of the most heavily utilized on Oahu and it continues to be the safety net for uninsured and medically underserved patients. Without the funding authorized in this bill, the Center may have to eliminate its overnight emergency, laboratory, or radiology services.

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. 2577 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2443 Education and Military Affairs on S.B. No. 2719

The purpose of this measure is to create a new chapter on charter school governance.

Testimony in support of this measure was submitted by the Governor, the Department of Human Resources Development, the Hawaii Government Employees Association, the University of Hawaii, the Ho'okako'o Corporation, the Office of Hawaiian Affairs, the Department of Education, and an individual. Testimony in opposition to this measure was submitted by an individual.

Your Committee finds that sections of the law should be reorganized so that there is more clarity, continuity, and ease of reference to the statutes which govern charter schools.

Your Committee has amended this measure to clarify nonsubstantive points.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2719, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2444 Education and Military Affairs on S.B. No. 3195

The purpose of this measure is to establish a weighted student formula conversion program to provide supplementary funds for schools that are adversely affected by the weighted student formula adopted in 2004.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the Wailupe Valley Elementary School Ohana Board, and four individuals. Comments in support of the intent of this measure were received from the Department of Education and the Hawaii Government Employees Association.

Your Committee finds that the weighted student formula does not address adequacy in school funding, and that alternate funding mechanisms should address school funding shortages.

Your Committee has amended this measure by including an appropriation amount, making a additional appropriation amount specifically to support schools adversely affected by the weighted student formula, removing a section pertaining to department matching funds, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2445 Education and Military Affairs on S.B. No. 3197

The purpose of this measure is to establish that the compensation of substitute teachers shall be tied to the salary or wage increases provided to licensed class II teachers of the Department of Education.

Testimony in support of this measure was submitted by three individuals. The Attorney General, the Department of Education, and the Hawaii State Teachers Association submitted testimony in opposition to this measure.

Your Committee finds that the failure to link substitute teacher pay to increases negotiated for full-time teachers has created a great deal of tension in the past, has fueled harmful litigation, and should be rectified by this measure.

Your Committee amended this measure to set forth a pay scale different from that included in the original draft.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3197, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2446 Commerce, Consumer Protection and Housing on S.B. No. 2318

The purposes of this measure are to:

- (1) Allow funds from the rental housing trust fund to be used for projects for families who earn up to one hundred forty percent of the area median income;
- (2) Broaden the requirements on developers to provide a reasonable number of lower income housing units; and
- (3) Allow special purpose revenue bonds to be issued for the development of low and moderate income housing by private organizations.

Testimony in support of the measure was submitted by the Office of the Governor, the Housing and Community Development Corporation of Hawaii, the Vice Chair of the Maui County Council, the Land Use Research Foundation of Hawaii, Hawaii Reserves, Inc., the Hawaii Association of Realtors, and an individual. The Affordable Housing and Homeless Alliance, Catholic Charities Hawaii, and Partners in Care supported increased funding for affordable housing through special purpose revenue bonds, and opposed the remainder of the measure. Hawaii Habitat for Humanity and a homeless services and research consultant submitted testimony in opposition. Three individuals offered comments.

Your Committee finds that providing increased funding for affordable housing in Hawaii is a critical need that is addressed by another omnibus measure. Accordingly, your Committee has deleted the part of this measure relating to special purpose revenue bonds with the intent that it be inserted into S.B. No. 2999, S.D. 1.

Your Committee further finds that many income groups in Hawaii's population have an urgent need for affordable housing, but the matter of targeting state assistance to the neediest groups deserves further consideration. Accordingly, your Committee has deleted the provision that broadened the requirements on developers to provide a reasonable number of lower income housing units, with the intent that it be inserted into S.B. No. 2999, S.D. 1.

Your Committee has changed the effective date of the measure to July 1, 2050, to facilitate further discussion, and has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2447 Commerce, Consumer Protection and Housing on S.B. No. 2041

The purpose of this measure is to clarify the definition of related entities to include indirect and direct ownership.

No testimony in support of this measure was submitted. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments were submitted by the Department of the Attorney General and the Tax Foundation of Hawaii.

Your Committee has amended this measure by making a technical amendment.

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

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2448 (Joint) Commerce, Consumer Protection and Housing and Energy, Environment, and International Affairs on S.B. No. 2291

The purpose of this measure is to protect Hawaii consumers from price gouging in petroleum sales during periods of abnormal disruption of the marketplace caused by extraordinary adverse circumstances.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Department of Business, Economic Development, and Tourism. Testimony in opposition to this measure was submitted by Aloha Petroleum, Ltd. Comments were submitted by the Western States Petroleum Association

Your Committees find that this measure will enhance the State's enforcement authority under chapter 480, Hawaii Revised Statutes, by specifically making it an unfair or deceptive trade practice for any petroleum-related business to sell or offer to sell any petroleum product for an amount that represents an unconscionably excessive price during any abnormal disruption of the market, whether this disruption occurred in Hawaii or in other parts of the world.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2291, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2291, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2449 Commerce, Consumer Protection and Housing on S.B. No. 2999

The purpose of this measure is to implement the recommendations of the Joint Legislative Housing and Homeless Task Force with regard to financing affordable housing. Specifically, this measure:

- (1) Increases the amount of conveyance tax revenues deposited into the rental housing trust fund;
- (2) Establishes a new state affordable housing tax credit decoupled from the federal tax credit;
- (3) Allows rent supplement funds to be used for operating expenses of state low-income housing;
- (4) Provides income tax deductions for contribution of land for affordable housing and for keeping private rental units affordable;
- (5) Increases the low-income renters' tax credit and eligibility therefor;
- (6) Authorizes issuance of revenue bonds to finance maintenance and repair of public housing units, infrastructure development for affordable housing, housing loan programs, and mortgage security and guarantee programs;
- (7) Authorizes issuance of general obligation bonds to finance downpayment loans for eligible homebuyers and interim construction loans; and
- (8) Appropriates funds for operating subsidies of state low-income housing units and homeless and transitional housing and services.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii, Land Use Research Foundation of Hawaii, Hawaii Association of Realtors, Pacific Housing Assistance Corporation, the Affordable Housing and Homeless Alliance, and Paul Louie & Associates, Inc. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure will provide additional financing tools and resources, including access to capital, to preserve and develop more affordable housing. The approach taken is a significant step in the right direction toward addressing the housing crisis in Hawaii, and will have a positive impact on the quality of life for all residents of Hawaii. In implementing the affordable housing tax credit provisions of this measure, it is the intent of your Committee that the credits be available for separate condominium unit ownerships not otherwise eligible for the federal low-income housing tax credit.

Your Committee has amended the measure to:

- (1) Add a new part to chapter 39A, Hawaii Revised Statutes, authorizing special purpose revenue bonds for the development of low and moderate income housing. It is the intent of your Committee that projects financed by this means have a significant government involvement to ensure compliance with article VII, section 12, of the Hawaii State Constitution;
- (2) Add a definition of "qualified basis" for the purposes of the affordable housing tax credit, and extend the tax credit to any project developed under chapter 201G, Hawaii Revised Statutes, or targeted to households with incomes at or below one hundred percent of the median;
- (3) Delete the requirement that the Hawaii public housing administration determine that a housing project is no longer suitable for its original use and should be demolished;
- (4) Broaden the requirements on developers to provide a reasonable number of lower income housing units;
- (5) Delete the income tax deductions for contributions of land for affordable housing and for the difference between fair market rental and rental received from qualified low income tenants;

- (6) Increase the allocation of conveyance tax revenues into the rental housing trust fund to sixty-five percent;
- (7) Provide for the deposit of revenue bond proceeds for purposes of housing loan programs;
- (8) Increase the revenue bond authorization and appropriation from the rental housing trust fund from \$30,000,000 to \$100,000,000;
- (9) Correct the expending agency for repair and modernization of vacant public housing units to read Hawaii public housing administration;
- (10) Delete reference to the homes revolving fund, which has been repealed, and substitute reference to the dwelling unit revolving fund;
- (11) Amend the amount appropriated for interim construction loans for self-help housing in fiscal year 2006-2007 to \$400,000; and
- (12) Establish a public housing rapid assessment team, and appropriate \$10,000,000 out of general revenues in fiscal year 2006-2007 for its purposes.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2999, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2450 Commerce, Consumer Protection and Housing on S.B. No. 2143

The purpose of this measure is to protect the public welfare and consumers by establishing a licensing regime that regulates the money transmitter industry in Hawaii.

Testimony in support of this measure was submitted by the Commissioner of Financial Institutions, the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Credit Union League, Non-Bank Funds Transmitters Group, Hawaii Financial Services Association, Philippine National Bank-Honolulu Agency, Kwik Money Remittance, Laborers' Union Local 368, and one individual. Testimony in opposition to this measure was submitted by Hawaii Bankers Association.

Hawaii has a relatively large transmitter industry that annually transmits hundreds of millions of dollars. Currently, Hawaii is only one of five states that do not regulate money transmitters.

Your Committee finds that effective licensing of money transmitters will help to maintain consumer trust, ensure that all money transmitter businesses are operated on a sound fiscal basis, and promote best business practices within the industry.

Your Committee has amended this measure by:

- (1) Decreasing the net worth and the bond or security requirements from \$100,000 to \$1,000 for purposes of continued discussion;
- (2) Clarifying that qualified banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, savings banks, financial services loan companies or mutual banks remain exempt under this measure even if these entities act as authorized delegates;
- (3) Adding the requirement that contracts between licensees and authorized delegates include certification by the delegates that they are in compliance with federal and state laws pertaining to money laundering;
- (4) Changing the effective date of the chapter to July 1, 2007, to allow adequate time for the program to be implemented; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2451 Commerce, Consumer Protection and Housing on S.B. No. 2239

The purpose of this measure is to provide the Wireless Enhanced 911 Board with discretion over management of the Wireless Enhanced 911 Fund.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Wireless Enhanced 911 Board, and the Honolulu Police Department. Comments were also submitted by Cingular Wireless and Verizon Wireless.

The purpose of the Wireless Enhanced 911 Fund ("Fund") is to assist public safety answering points (PSAP) and wireless carriers in providing and maintaining wireless enhanced 911 services. The Wireless Enhanced 911 Board is charged with overseeing cost-recovery disbursements from the Fund to PSAP and wireless carriers.

Your Committee finds that the Fund is critical in ensuring that wireless services are implemented statewide in the interest of public safety and delivery of emergency services. Your Committee further finds that the Board is in the best position to determine allocations from the Fund in a fair and equitable manner to both PSAP and wireless carriers, and that this measure appropriately gives the Board discretion over the management of the Fund.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2452 Commerce, Consumer Protection and Housing on S.B. No. 2093

The purpose of this measure is to eliminate the premium tax on health insurers, except on health care services furnished through the QUEST medical assistance program.

Testimony in support of this measure was submitted by the State Insurance Commissioner, the International Brotherhood of Electrical Workers, Summerlin Life & Health Insurance Company, and Royal State National Insurance Company, Limited. Testimony in opposition to this measure was submitted by Kaiser Permanente. Comments were also submitted by the Department of Human Services, the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that increased competition in the marketplace for health insurance is one way to control the cost of health care and provide consumers and businesses with more alternatives. To ensure further discussion on this measure, your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2453 Commerce, Consumer Protection and Housing on S.B. No. 2250

The purpose of this measure is to streamline the license suspension process initiated by the Child Support Enforcement Agency.

Testimony in support of this measure was submitted by the Department of the Attorney General. No testimony in opposition to this measure was submitted.

The current definition of "compliance with an order of support" includes the situation where an obligor enters into a written agreement after being notified that the license suspension process has been initiated. Because of this definition, when an obligor becomes delinquent in making payment under the written agreement, sections 576D-13(a) and (b) require that the license suspension process be initiated again with notice and opportunity for the obligor to request a hearing or request to enter into another payment agreement.

Your Committee finds that this process is duplicative and causes delay in processing obligors for license suspension. Your Committee further finds that this measure will assist in making the child support enforcement process more efficient.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2250 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2454 (Joint) Water, Land, and Agriculture and Business and Economic Development on S.B. No. 3078

The purpose of this measure is to direct the Office of Planning to create an action plan to transfer specific duties of the Department of Agriculture and the Agribusiness Development Corporation to the Department of Business, Economic Development, and Tourism.

Testimony in opposition to this measure was submitted by the Agribusiness Development Corporation; the Department of Agriculture; the Dean of the University of Hawaii's College of Tropical Agriculture and Human Resources; Alluvion, Inc.; the Big Island Farm Bureau; C&H Farms; the Hawaii Agriculture Research Center; the Hawaii Beekeepers' Association; the Hawaii Cattlemen's Council; the Hawaii Coffee Association; the Hawaii Crop Improvement Association; the Hawaii Farm Bureau Federation; the Hawaii Food Manufacturers Association; the Hawaii Forest Industry Association; the Hawaii Island Chamber of Commerce; the Hawaii Tropical Fruit Growers; Kahuku Brand Matsuda-Fukuyama Farms, Inc.; the Kona County Farm Bureau; the Kona Pacific Farmers Cooperative; the Maui County Farm Bureau; Waimanalo Agricultural Association; and seven individuals. Comments were submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Office of Planning, and the Hawaii Government Employees Association.

Your Committees find that in 1994, Agribusiness Development Corporation was created to assist the agricultural industry transition from sugarcane and pineapple to other diversified crops. One of the responsibilities the legislature tasked this new and dynamic entity with was to develop the Hawaii Agribusiness Plan. The plan's purpose was to define and establish goals, objectives, policies, and priority guidelines for Agribusiness Development Corporation's agribusiness development strategy. However, this plan was never created.

Your Committees find that in order for Agribusiness Development Corporation to be effective, strategies and goals must be developed to guide its Board of Directors. Accordingly, this measure was amended to direct the Legislative Reference Bureau to conduct a study to identify elements that should be included in the Hawaii Agribusiness Plan. In developing its report, the Legislative Reference Bureau will:

- (1) Identify stakeholders in the agricultural industry that directly benefit from Agribusiness Development Corporation;
- (2) Convene a working group of the stakeholders in the agricultural industry;
- (3) Organize working group meetings and facilitate discussions and suggestions to improve Agribusiness Development Corporation and identify the necessary elements for developing the Hawaii agribusiness plan;
- (4) Create a report of its findings and recommendations, as well as the working group's findings and recommendations; and
- (5) Submit its report to the Legislature at least twenty days before the convening of the 2007 regular session.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3078, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3078, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 2455 Water, Land, and Agriculture on S.B. No. 2098

The purpose of this measure is to provide a general excise tax exemption for rental income collected from a lessee that is actively engaged in farming.

Testimony in support of this measure was submitted by the Land Use Research Foundation of Hawaii, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, the Hawaii Cattlemen's Council, Kamehameha Schools, and the Kauai Cattlemen's Association. Testimony in opposition to this measure was submitted by the Department of Agriculture. The Department of Taxation also submitted comments on the measure.

Your Committee finds that agriculture plays a significant role in Hawaii's history and continues to be an important industry, generating \$2,900,000,000 to the State's annual economy and directly and indirectly providing 42,000 jobs. Your Committee further finds that with the decline of the sugar industry, we must strive to create a more diverse agricultural industry to keep agriculture in Hawaii viable. The future of local agriculture is full of economic potential, although the potential will be only realized if efforts are made to encourage its expansion. This measure will provide landowners that lease their lands to lessees engaged in farming activities an exemption from the general excise tax on the rental income. Your Committee believes that this exemption will provide an attractive incentive to landowners while helping to expand the commercial agricultural industry within the State.

Your Committee has amended this measure by changing the effective date of the Act to July 1, 2050 to allow further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2098, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2456 Water, Land, and Agriculture on S.B. No. 3096

The purpose of this measure is to appropriate funds for the state agricultural water use and development plan for fiscal year 2006-2007.

Testimony in support of this measure was submitted by the Department of Agriculture (DOA), the Department of Land and Natural Resources (DLNR), the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, Alexander & Baldwin, Inc., the Hawaii Crop Improvement Association, and forty-seven individuals. Testimony in opposition to this measure was submitted by the Sierra Club, Hawaii Chapter, and Earthjustice.

Your Committee finds that the DOA is currently tasked with developing the agricultural water use and development plan for the State, which provides a detailed evaluation of all sources of agricultural water and establishes policies and priorities on water use for the State. The DOA has indicated that it is currently working in cooperation with DLNR and the College of Tropical Agriculture and Human Resources for the University of Hawaii on the third phase of this plan. The third phase of the plan will identify potential future needs of agricultural lands in close proximity to the ten irrigation systems identified in the first phase of the plan. The plan also identifies eleven additional systems that necessitate additional studies to be incorporated into the plan. Your Committee determines that funding is necessary to enable the DOA to begin to study these systems and finalize a comprehensive review of the plan.

However, as your Committee is unclear about the necessary funding for the completion of the plan, your Committee has amended this measure by:

- (1) Removing the \$1 million appropriation amount; and
- (2) Inserting a blank appropriation amount to allow for further discussion and clarification on the funds necessary to complete the plan.

Your Committee notes testimony from Earthjustice and the Sierra Club raising important concerns regarding the need to establish instream flow standards. Your Committee agrees that these standards are very important to the State and emphasizes that this issue is currently addressed in other measures moving through the legislative process.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3096, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2457 Water, Land, and Agriculture on S.B. No. 2359

The purpose of this measure is to allow the revenue derived from the forest reserves to be deposited into the Forest Stewardship Fund for the management of the State Forest Reserve System.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Forest Industry Association, and the Nature Conservancy. Comments were also submitted by the Sierra Club.

Currently, the Forest Stewardship Fund is funded by the sales of timber from forest reserves or from the sales of seedlings at state tree nurseries. The revenue from the fund is used to maintain cabins, campgrounds, road accesses, signage, fences, and other forest enhancements and management activities. Your Committee finds that additional categories of revenue should be used to replenish this fund. This measure authorizes the revenues from the forest reserves, as well as the moneys from:

- (1) The sale of products, services, or other values derived from forest reserves; and
- (2) Fines or penalties collected under chapters 183, 185, and 195F,

to be deposited into the Forest Stewardship Fund.

Your Committee noted concerns that this additional stream of revenue may be an incentive for the department to encourage the over-capitalization of our forest reserve resources through activities like the abusive harvesting of trees. Thus, your Committee amended this measure to address this concern by:

- (1) Requiring the department to submit an annual report to the legislature outlining the revenues gained from the forest reserves; and
- (2) Providing a sunset provision to ensure that if the new source of revenue for the Forest Stewardship Fund encourages negative activities, its funding mechanism will revert back to its current form.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2458 Water, Land, and Agriculture on S.B. No. 3077

The purpose of this measure is to create a process for acquiring lands with the land conservation fund.

Testimony in support of this measure was submitted by the Trust for Public Land and the Windward Ahupua`a Alliance. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources (DLNR). Comments were submitted by the Department of Agriculture, the Hawaii Agriculture Research Center, and the Nature Conservancy.

Your Committee finds that Hawaii's natural resources are vital to the State's economy, culture, and quality of life. With the enactment of Act 156, Session Laws of Hawaii 2005, the State now has an adequately funded land conservation fund to acquire interests in lands that have valuable resources. This measure:

- (1) Creates a Legacy Land Conservation Commission to assist DLNR and the Board of Land and Natural Resources administer the land conservation fund; and
- (2) Establishes priorities for land acquisitions.

Your Committee has amended this measure by:

- (1) Requiring that all land acquisitions be subject to a legislative disapproval process that is similar to the current provisions regarding exchanges of state land rather than an approval process;
- (2) Requiring DLNR to report to the legislature whenever the Board of Land and Natural Resources accepts or rejects the Commission's recommendations;
- (3) Restoring the governor's authority to approve grants to state agencies, counties, and nonprofit land conservation organizations; and
- (4) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2459 Water, Land, and Agriculture on S.B. No. 2483

The purpose of this measure is to appropriate interim funding for a fruit fly eradication program.

Testimony in support of this measure was submitted by the Department of Agriculture; the University of Hawaii's Center for Genomics, Proteomics, and Bioinformatics Research Initiative; the Big Island Farm Bureau; C&H Farms; Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; and the Maui County Farm Bureau.

Fruit flies are Hawaii's most destructive agricultural pest. The economic impact of the fruit fly infestation in Hawaii amounts to more than \$2,000,000 per year. Your Committee finds that recent research and programs have had good results in controlling the fruit flies in certain areas; however, more funding is needed to continue the effort. Your Committee further finds that federal funding may be available for more research; however, if appropriated, the funding will not be available until the middle of 2007. Thus, this measure appropriates interim money for the large-scale fruit fly suppression program.

Your Committee notes that it is unclear whether the federal funds will, with any certainty, be available in 2007. To date, representatives for the program could not assure your Committee that the federal funds will be forthcoming. As a result, your Committee has amended this measure by deleting the amount of the appropriation to continue further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2460 (Joint) Water, Land, and Agriculture and Commerce, Consumer Protection and Housing on S.B. No. 2541

The purpose of this measure is to appropriate moneys for the development of infrastructure in the Kalaeloa Community Development District.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority.

Your Committees find that the housing need on Oahu is reaching a breaking point, and it is imperative that the Hawaii Community Development Authority's effort in planning and developing the Kalaeloa Community Development District continue to move forward. However, testimony from the Hawaii Community Development Authority noted that the Master Plan for the Kalaeloa Community Development District, which would include comprehensive infrastructure development, has yet to be adopted. This measure appropriates moneys to initiate infrastructure development in the Kalaeloa Community Development District, which will ultimately encourage the development of affordable housing in the area.

Your Committees have deleted the dollar amount and left it blank for determination by your Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2541, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2541, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 2461 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 3181

The purpose of this measure is to amend the definition of "deposit beverage container" for purposes of the deposit beverage container program, to include containers of less than or equal to 67.6 fluid ounces.

Your Committees received testimony in support of this measure from Reynolds Recycling, Sierra Club Hawaii Chapter, and Windward Ahupua'a Alliance. Testimony in opposition was received from the Association of Food, Beverage and Consumer Products Companies.

Your Committees find that there has been much confusion by consumers as to whether or not two-liter bottles are included in the deposit beverage container program. Since the program has proven to be very successful, there is no reason why such larger containers should not also be included.

This measure represents your Committees' continued commitment to recycling to reduce the volume of trash in landfills. Your Committees are cognizant of the recent news concerning the potential closing of the Waimanalo landfill in the foreseeable future. This measure is a small but significant effort to achieve sustainability by reducing waste and recycling.

Your Committees have amended this measure by changing the size of a recyclable bottle to sixty-eight fluid ounces or less, and making technical, nonsubstantive amendments for clarity.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3181, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2462 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 3162

The purpose of this measure is to enhance the State's renewable energy and conservation measures by:

- (1) Requiring the Public Utilities Commission to establish a renewable energy credits trading program;
- (2) Requiring the Department of Business, Economic Development, and Tourism to determine the feasibility of Hawaii becoming a member of the Chicago climate exchange; and
- (3) Creating a renewable energy credits trading program advisory committee.

Your Committees received testimony in support of this measure from Honolulu Seawater Air Conditioning LLC, Power Light Solar Electric Systems, Hawaii Solar Energy Association, Conservation Council for Hawaii, and Hawaii Renewable Energy Alliance. Comments were received from the Department of Business, Economic Development, and Tourism, Public Utilities Commission, and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

The Chicago Climate Exchange is the first major attempt in the United States to establish a market for reducing greenhouse gas emissions. Also known as "carbon trading," the climate exchange offers energy companies, manufacturers, and governments that reduce their emissions of carbon dioxide and other greenhouse gases the opportunity to make money while protecting the environment. Funded by grants from the Chicago-based Joyce Foundation and administered by Northwestern University's Kellogg Graduate School of Management, the goal of the exchange is to implement a voluntary pilot program for trading greenhouse gases in North America, to be later expanded to include international sources.

A number of companies have already participated in bilateral trades of greenhouse-gas emissions. Carbon-trading transactions have already surpassed \$100,000,000, according to the exchange. Economists believe that annual trading volume could eventually run into the tens of billions of dollars.

Your Committees find that there is a need to establish a renewable energy credits trading program in Hawaii, both to enable the State to participate in the Chicago climate exchange and to ensure compliance with the State's renewable portfolio standards, which require a certain proportion of electricity sold by each supplier in Hawaii to come from renewable sources.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3162, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2463 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 3182

The purpose of this measure is to require a phased reduction of methyl tertiary-butyl ether in gasoline sold or imported in the State to achieve levels no greater than 0.15 volume per cent by January 1, 2009.

Your Committees received testimony in support of this measure from the Department of Health and Aloha Petroleum, Ltd. Comments were received from the Board of Agriculture.

Your Committees find that this measure protects the people of Hawaii, Hawaii's environment, and Hawaii's drinking water from a known hazardous material, methyl tertiary-butyl ether. This measure establishes allowable percentages of the substance by volume, and requires distributors to report annually the amount of gasoline sold in Hawaii that contain the substance.

The intent of your Committees is to substantially reduce or eliminate the presence or threat of a chemical in Hawaii that is a known to have extensively contaminated drinking water and ground water resources nationally.

Your Committees have amended this measure by making it effective upon approval, and making technical, nonsubstantive amendments for style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3182, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3182, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2464 Energy, Environment, and International Affairs on S.B. No. 3185

The purpose of this measure is to establish statewide energy efficiency utility and energy efficiency portfolio standards.

The Rocky Mountain Institute, the Conservation Council for Hawaii, Honolulu Seawater Air Conditioning LLC, and the Sierra Club Hawaii Chapter, and Life of the Land submitted testimony in support of this measure. Hawaii Solar Energy Association and Hawaii Electric Company submitted testimony in opposition to the measure. The Department of Business, Economic Development and Tourism, the Department of Commerce and Consumer Affairs, the Public Utilities Commission, and Hawaii Renewable Energy Alliance submitted comments.

Your Committee finds that energy efficiency is one of the most critical components in helping end Hawaii's addition to oil. An energy efficient utility is an entity that provides a comprehensive and consistent set of energy efficiency programs to electric consumers. This measure would significantly improve the energy efficiency programs delivered by individual electrical utilities operating in the State.

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

- (1) Adding four new sections that authorize a surcharge for a public benefits fund, authorize a fund administrator for the fund, enumerate the requirements for the fund administrator, and require the public utilities commission to develop a transition plan from utility demand-side management programs to the public benefits fund;
- (2) Increasing the time by which the energy efficiency utility shall achieve certain statewide energy efficiency portfolio standards;
- (3) Deleting the definitions of indigenous watts, load ratio, load ratio standard, maximum demand, minimum demand, negative watts, positive watts, and total demand;

- (4) Further amending the definition of cost-effective;
- (5) Including agricultural residues, animal byproducts, and waste cooking oils or greases, and making other changes, to the definition of renewable energy;
- (6) Adding a penalty provision to the renewable portfolio standards section;
- (7) Amending 269-27.2(c), Hawaii Revised Statutes, to provide for a methodology to establish what the fifteen and twenty-year fixed price for renewable energy power or renewable fuel for power production shall be; and
- (8) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3185, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2465 Energy, Environment, and International Affairs on S.B. No. 3173

The purpose of this measure is to establish an alternative fuels portfolio standard, requiring a percentage of all new motor vehicles sold in the State to be powered by alternative fuels, starting in 2008.

The Rocky Mountain Institute, the Conservation Council for Hawaii, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Alliance of Automobile Manufacturers and the Hawaii Automobile Dealers' Association submitted testimony in opposition. The Department of Business, Economic Development and Tourism, the Department of Budget and Finance, the Public Utilities Commission, and the Office of Information Practices submitted comments.

Your Committee finds that the State's dependence on imported petroleum for its transportation energy needs makes it extremely vulnerable to an oil embargo, supply disruption, international market dysfunction, and other factors beyond the control of the State. It is critical that Hawaii moves beyond its near total dependency on imported petroleum for its transportation needs.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting all of the original provisions;
- (2) Requiring the counties to establish and issue a special license plate designating an energy-efficient or alternative fuel vehicle;
- (3) Exempting those energy-efficient or alternative fuel vehicles from the motor vehicle registration fee for a period of five years;
- (4) Amending the procurement policy for state fleets to require energy-efficient vehicles; and
- (5) Making an appropriation of an undesignated amount to the counties to assist the counties in implementing the special license plate portion of the Act.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3173, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Commerce, Consumer Protection, and Housing and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2466 (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 2180

The purpose of this omnibus affordable housing measure is to expand affordable housing options, establish set-asides for grandparents raising grandchildren, effect the repair and maintenance of homeless, transitional, and emergency shelters, and to remove income restrictions for rental assistance.

Your Committees received testimony in support of the measure from the State Council on Developmental Disabilities; the Office of Hawaiian Affairs; the City and County of Honolulu, Department of Community Services; the Affordable Housing and Homeless Alliance; Catholic Charities Hawaii; Hawaii Association of Realtors; the Hawaii Family Forum; the Institute for Human Services; the Land Use Research Foundation of Hawaii; Pacific Gateway Center; and Partners in Care. The Department of Human Services submitted comments on this measure.

Your Committees find that this measure incorporates many important provisions to provide assistance to Hawaii's low-income residents, including:

- (1) Affordable housing initiatives, including authorization for issuance of general obligation bonds and support for the homeownership project of Habitat for Humanity;

- (2) Housing placement and support for the homeless population;
- (3) Creating set-asides in elderly housing for grandparents raising grandchildren;
- (4) Appropriating funds for the rental housing trust fund;
- (5) Increasing the amount of rent supplement for eligible tenants;
- (6) Redefining “qualified tenant” to include people receiving public assistance payments;
- (7) Adjusting the amount considered for the relationship of annual payments to rental and income; and
- (8) Increasing membership on the board of directors of the Hawaii Public Housing Administration.

Your Committees have amended this measure by:

- (1) Amending the limit of payments on behalf of a qualified tenant under §201G-231 to an unspecified amount;
- (2) Rewording the definition of “elder or elderly households” for households that include a grandparent or other relative caregiver for minor children;
- (3) Adding emergency shelters to the list of shelters for which funds are appropriated;
- (4) Deleting the exclusion of people receiving public assistance from the definition of “qualified tenant”; and
- (5) Changing the makeup of the additional members of the board of directors to include a member with a disability or an advocate for people with disabilities.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2180, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2180, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2467 (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 2461

The purpose of this measure is to make grants to various entities for transportation and housing on the island of Maui.

Your Committees received testimony in support of the measure from the County of Maui, Department of Housing and Human Concerns; Maui Economic Opportunity, Inc.; and two individuals.

Your Committees find that this measure will provide much-needed support to residents of the island of Maui including the elderly, low-income individuals, preschool children, and disadvantaged youth, who require transportation and other assistance.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2461 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2468 (Majority) Human Services on S.B. No. 2079

The purpose of this measure is to prohibit leaving a child under the age of eight locked in a car or building without a reliable person of at least thirteen years of age present.

Specifically, this measure creates the misdemeanor offense of leaving a child locked in a building or vehicle without the presence and protection of a reliable person who is at least thirteen years old.

Your Committee received testimony in support of the measure from the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of Human Services, the Maui Police Department, and Blueprint for Change. Your Committee received testimony in opposition to the measure from the Office of the Public Defender. The Honolulu Police Department also submitted testimony in opposition to the measure, and suggested incorporating the strict liability provisions of H.B. No. 1787 instead.

Your Committee finds that creating a narrower, strict liability offense that prohibits leaving children in motor vehicles without an adult or a minor of at least fifteen years of age, rather than creating the broader offense of leaving children unattended in vehicles and buildings, would better protect young children from harm.

Accordingly, your Committee has replaced this measure's contents with language that creates the strict liability offense of leaving a child unsupervised in a motor vehicle, and requires applicants for state driver's licenses to be tested on, among other things, the applicant's knowledge of this offense. Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2079, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Hooser, Ihara).

SCRep. 2469 (Joint/Majority) Labor and Intergovernmental Affairs on S.B. No. 3022

The purpose of this measure is to repeal portions of Act 249, Session Laws of Hawaii, 2005, to ensure funding to the county workforce investment boards.

Specifically, this measure:

- (1) Removes the requirement that funds appropriated to the county of Hawaii workforce investment board be expended for the eradication of coqui frogs and other invasive species;
- (2) Repeals the appropriation of funds for fiscal year 2005-2006;
- (3) Amends the appropriation amounts for fiscal year 2006-2007 by providing:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;
 - (C) \$2,000,000 to the Kauai Workforce Investment Board;
 - (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
 - (E) \$2,604,450 to the Department of Labor and Industrial Relations (DLIR); and
- (4) Repeals section 4 of Act 249, SLH 2005, which specified a timeline for the release of funds by DLIR.

Testimony in support of this measure was submitted by the four county Workforce Investment Boards. Testimony in opposition to this measure was submitted by the DLIR, the Maui Outdoor Circle, and one individual. The Department of the Attorney General offered comments on the measure.

Your Committees find that pursuant to Act 249, SLH 2005, the law was amended to allow for the utilization of 2002 Reed Act funds. Additionally, Act 249 provided for the appropriation of funds from the unemployment trust fund to improve the services of the unemployment insurance and workforce development divisions of DLIR. Within the appropriations made to the several county workforce investment boards, the moneys appropriated to the County of Hawaii were directed to be expended on the eradication of coqui frogs and other invasive species. No funds appropriated under the Act have been expended by the specified entities.

The Attorney General has opined that Act 249 did not become law; however, it is the Legislature's position that the Governor's veto of Senate Bill 813 was defective and that Act 249 is good law. Therefore, your Committees believe that, in order to avoid further delays in the expenditure of the funds, the portions of Act 249 that appropriate funds for the eradication of coqui frogs and other invasive species and establish restrictions on the release of funds by DLIR should be repealed. These changes to the law should facilitate the quick release of funds to the appropriate entities so that they may begin to make necessary improvements and changes to workforce developing services.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3022 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 3 (English, Kim, Taniguchi).

SCRep. 2470 (Joint) Health and Intergovernmental Affairs on S.B. No. 2504

The purpose of this measure is to require the State to reimburse the counties for issuing windshield parking placards for parking for disabled persons, and to require counties to issue placards on behalf of the State.

Your Committees received testimony in support of this measure from the City and County of Honolulu Department of Customer Services, the State Council on Developmental Disabilities, Disability and Communication Access Board, and one individual.

Current law gives the counties discretion whether or not to issue temporary removable windshield placards. This measure requires the counties to do so, and requires the State to reimburse the counties for the costs.

Your Committees find that the parking for disabled persons program can be effective only with the issuance of windshield placards. The costs of placards is an expense that either the State or the counties should bear. Your Committees consider it fair for the State to ultimately bear that cost.

Your Committees have amended this measure by:

- (1) Deleting references to an adjustment for inflation; and
- (2) Directing the State Auditor to conduct a cost analysis of the reimbursement to the counties, and to report findings and recommendations to the Legislature in time for the 2007 Regular Session.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2504, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2471 (Joint) Business and Economic Development and Water, Land, and Agriculture on S.B. No. 3091

The purpose of this measure is to:

- (1) Require agencies to protect public rights-of-way to coastal or inland recreational areas; and
- (2) Create a public prescriptive easement if the right-of-way has been used continuously by the public for over five years.

A new section added to chapter 115, Hawaii Revised Statutes, will require state and county agencies reviewing an application for a permit for a development project, to protect a public right-of-way that has been in use for more than five years if the project will affect public access.

Your Committees received testimony in support of this measure from the Hawaii Chapter of the Sierra Club, Earthjustice, the Ho'okipa Network of Kauai, the Hawaii Boaters Political Action Association, the Limu Coalition, and forty private individuals. Your Committees received testimony in opposition of this measure from the Department of Land and Natural Resources, the Department of Planning and Permitting of the City and County of Honolulu, the firm of Alston, Hunt, Floyd and Ing, and the Land Use Research Foundation of Hawaii.

Public access to the State's coastal and mountain areas may become obstructed or limited when private property changes ownership, is developed or subdivided, or is rezoned. Your Committees find that it is important to protect public access, especially when that access could be affected by a planned development or rezoning project.

The firm of Alston, Hunt, Floyd and Ing raised a concern that the creation of a prescriptive easement with a prescriptive period of five years is contrary to Hawaii case law.

Your Committees have amended this measure by deleting the amendment to section 115-6, Hawaii Revised Statutes that would create a public prescriptive easement.

Furthermore, your Committees have amended this measure by requiring permit granting agencies to determine whether a public right-of-way will be obstructed before granting a permit, rather than requiring the agencies to ensure that a public right-of-way is made available. Your Committees also made technical, nonsubstantive amendments to make stylistic changes.

Additionally, your Committees find that the issue of public rights-of-way raises concerns that merit further consideration. Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussion on this issue.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3091, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3091, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Menor, Trimble).

SCRep. 2472 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2289

The purpose of this measure is to protect Hawaii consumers who are victims of identity theft by allowing them to place a security freeze on their credit reports.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, Consumer Data Industry Association, Retail Merchants of Hawaii, and Hawaii Bankers Association. Comments were submitted by State Farm Insurance Companies.

As one measure from Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

The Task Force's recommendations have focused primarily on providing law enforcement with better tools to prosecute ID-theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

Your Committees find that this measure is designed to address one form of identity theft that occurs when a person steals a consumer's identity and opens up new lines of credit in that consumer's name. Your Committee further finds that this measure will permit Hawaii citizens, whose identities have been stolen, to "freeze" the release of their credit history by consumer reporting agencies until matters are resolved to the citizens' satisfaction.

Your Committees have amended this measure by:

- (1) Applying the proposed chapter to "consumer reporting agencies";
- (2) Exempting any person or entity using a credit report in setting or adjusting a rate, adjusting a claim, or underwriting for insurance purposes from being subject to a security freeze;
- (3) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and
- (4) Extending the effective date of this measure to January 1, 2007.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2473 Commerce, Consumer Protection and Housing on S.B. No. 2331

The purpose of this measure is to repeal the sunset date for provisions that streamline the public housing evictions process.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH).

Your Committee finds that this measure requires further consideration. In testimony on another measure, S.B. No. 3025, Island Tenants on the Rise (ICOR) advocated reinstatement of an administrative appeal process before the current streamlined procedure established under Act 227, Session Laws of Hawaii 2002, is made permanent. ICOR testified that many tenants facing eviction do not understand or actively participate in the initial meeting to work out their delinquency, and thereby forfeit their due process rights to a subsequent grievance hearing. The HCDCH and the Department of the Attorney General testified against reinstatement of the former administrative appeal process, and pointed out that improved rent collection and more timely evictions for nonpayment are conditions of the Improvement Plan which HCDCH entered into with the U.S. Department of Housing and Urban Development in January 2006.

The Legislature should continue to consider ways to address the issues raised by ICOR, including means to provide better tenant education, counseling, and representation. Accordingly, your Committee has amended this measure to change the effective date to July 1, 2050, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2331, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2474 Commerce, Consumer Protection and Housing on S.B. No. 2773

The purpose of this measure is to address the housing needs of pineapple workers who are displaced by the closure of Del Monte Fresh Produce and in danger of losing their homes at Kunia Camp.

Specifically, the measure provides for the following:

- (1) A grant program to finance the purchase of existing homes by their current occupants;
- (2) Mortgage loans at below market interest rates for eligible borrowers to purchase their homes;
- (3) Rent supplements to enable eligible families to rent safe, decent, and sanitary housing elsewhere in the private market;
- (4) Rental assistance to owners of Kunia Camp housing who maintain existing units at affordable rents for displaced workers and their families;
- (5) Loans or grants for the preservation and substantial rehabilitation of existing rental housing units;
- (6) Funds for the demolition and reconstruction of dilapidated housing units; and
- (7) Funds for direct downpayment loans to eligible borrowers for the purchase of their homes.

Testimony in support of this measure was submitted by the International Longshore and Warehouse Union Local 142, Hawaii Government Employees Association, and a former agricultural superintendent for Del Monte at Kunia Plantation. The Housing and Community Development Corporation of Hawaii, Pacific Housing Assistance Corporation, Affordable Housing and Homeless Alliance, and Partners in Care supported the intent of the measure, but opposed using moneys from existing housing revolving funds for the intended purposes.

Your Committee finds that it is necessary to amend this measure in its entirety to accomplish the following:

- (1) Allow the Hawaii Housing and Finance Development Administration to extend grant assistance to employees of Del Monte Fresh Produce who cannot afford to repay a loan, and authorize the Administration to provide these grants from the Kunia camp housing revolving fund which this measure establishes;
- (2) Ensure that rental assistance is provided for those employees of Del Monte Fresh Produce who cannot afford to purchase their own homes as well as those who already rent, and authorize the Administration to provide such assistance from a Kunia camp rental housing fund which it shall establish;
- (3) Address the housing needs of all pineapple workers who are displaced by the closure of Del Monte Fresh Produce, many of whom reside elsewhere than Kunia Camp; and
- (4) Provide loan or grant assistance for the purposes of this measure to any cooperative, association, or other nonprofit organization acting on behalf of the interests of displaced Del Monte employees.

Your Committee has amended the measure in accordance with the above findings.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, 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. 2773, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 2475 Health on S.B. No. 2683

The purpose of this measure is to require that a copy of all court-ordered mental health examinations be provided to the chief of forensics of the adult mental health division of the department of health.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Disability Rights Center, and one individual.

Your Committee finds that forensic examination process takes many months to complete. During this process, a pretrial defendant who may have a serious mental illness or disease will be held in state custody without appropriate mental health treatment.

Your Committee further finds that requiring that a copy of all court-ordered mental health examinations be provided to the Chief of Forensics will streamline and improve the process of examining mentally ill individuals.

Your Committee has amended this measure as suggested by the Department of Health by specifying that the examination and all supporting documents be provided to the Chief of Forensics at the end of the court proceeding.

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. 2683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2683, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2476 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2271

The purpose of this measure is to establish a strategic framework of integrated measures to encourage and support market-based development of reliable, cost-effective, more self-reliant energy systems.

The Department of Business, Economic Development and Tourism, the Department of Commerce and Consumer Affairs, the Department of Agriculture, the Department of Accounting and General Services, the University of Hawaii, Sierra Club Hawaii Chapter, The Gas Company, Conservation Council for Hawaii, Inter-Island Solar Supply, PowerLight Solar Electric Systems, Rocky Mountain Institute, Maui County Farm Bureau, Life of the Land, Alexander & Baldwin, Inc., Hawaii Farm Bureau, and four individuals submitted testimony in support of this measure. One individual submitted testimony in opposition to this measure. The Public Utilities Commission, the Office of Information Practices, the Hawaii Renewable Energy Alliance, Mid-Pac Petroleum, Kauai Island Utility Cooperative, Hawaii Solar Energy Association, Honolulu Seawater Air Conditioning LLC, Hawaii Energy Policy Forum, and Hawaiian Electric Company, Inc. submitted comments.

Your Committees find that this measure takes a comprehensive approach to reducing the State's dependence upon petroleum. The measure improves the State's energy security and assists the State in becoming more energy self-sufficient.

Upon further consideration, your Committees narrowed and redirected the focus of the measure to:

- (1) Establish a biodiesel preference in Hawaii's procurement law;
- (2) Develop priority processing of state agency permits for renewable energy projects;
- (3) Establish renewable fuel standards for highway fuel demand;
- (4) Extend the exemption for the sale of alcohol fuels from the general excise tax to December 31, 2009;
- (5) Establish a public benefits fund to support demand-side management and renewable energy programs;
- (6) Require a re-evaluation of utility fuel adjustment clauses;
- (7) Establish a methodology of calculating a fixed price for renewable energy power or renewable fuel for power production;
- (8) Establish incentive and penalties relating to renewable portfolio standard requirements;
- (9) Establish a Hawaii renewable hydrogen program and hydrogen investment capital special fund and appropriating funds therefor;
- (10) Clarify the role of the director of business, economic development, and tourism as Hawaii's chief business advocate and state energy resources coordinator; and
- (11) Provide funding for an inventory of state lands available for renewable energy, assistance to the agricultural community for renewable energy development, and a statewide multi-fuel biofuels production assessment.

Your Committees amended the measure by:

- (1) Deleting provisions pertaining to:
 - (A) Chapters 486H and 486J, Hawaii Revised Statutes, commonly known as The Fair Gasoline Price Law;
 - (B) Energy efficient and alternative fuel vehicles for state fleets;
 - (C) The issuance of special license plates for energy efficient or alternative fuel vehicles;
 - (D) Energy efficiency in state facilities and vehicles; and
 - (E) The repeal of provisions of chapter 196, Hawaii Revised Statutes, that relate to energy resources for government agencies;
- (2) Amending the definition of "biofuel" to include nonpetroleum plant or animal based sources;
- (3) Authorizing, rather than requiring, the Public Utilities Commission to establish the public benefits fund;
- (4) Deleting language from the public benefit fund provisions regarding the volumetric charge to customers to support demand-side management and renewable energy programs and services that meet the requirements of Section 269-92, Hawaii Revised Statutes;
- (5) Deleting the proposed funding source section for the public benefits fund;

- (6) Clarifying that the production of biodiesel from energy crops and cellulosic ethanol from agricultural waste streams is an acceptable renewable energy project that may be developed by the agricultural community;
- (7) Amending the definition of “renewable energy” for purposes of the renewable portfolio standards law;
- (8) Increasing the tax credit for solar thermal energy systems for single-family residential property to \$2,250 and decreasing the tax credit for photovoltaic energy systems for single-family residential property to \$7,500;
- (9) Requiring each electric utility company to achieve a statewide energy efficient portfolio standard;
- (10) Adding definitions of “energy efficiency,” “energy efficiency ratio,” “net electric sales,” and “quantified demand side measures” to chapter 269-91, Hawaii Revised Statutes;
- (11) Adding language to the ratemaking structure section regarding exceptions that are just and reasonable to the consumer and establishing a deadline of December 31, 2007, for the commission to make a determination about the fuel adjustment clause;
- (12) Amending the findings and purpose section of the measure to conform with the changes to the measure; and
- (13) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2271, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2271, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2477 Health on S.B. No. 3158

The purpose of this measure is to appropriate \$60,000 for two vehicles for patient and other transport uses for Lanai Community Hospital, which is part of the Hawaii Health Systems Corporation.

Your Committee received testimony in support of the measure from the Administrator of Lanai Community Hospital and the Healthcare Association of Hawaii.

Your Committee finds that Lanai Community Hospital has served both long-term care and acute care patients since it was designated and certified as a Critical Access Hospital with a 24/7 fully-functioning emergency room. Fulfilling the hospital’s mission often requires arranging transportation for visiting or consulting medical and nursing staff, picking up and delivering lab specimens and medical supplies, and, on occasion, providing for patient transport, especially for patients who are wheelchair bound.

Your Committee further finds that Lanai Community Hospital uses twenty-year-old vehicles - a passenger car, and a van that has been converted to haul cargo. Because of the deteriorating state of these vehicles, hospital staff members often use their own vehicles for hospital business, which is an unacceptable practice.

Your Committee agrees that Lanai Community Hospital needs two new, properly equipped vans to provide the appropriate level of quality patient care and conduct daily operations.

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. 3158 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2478 (Joint) Health and Media, Arts, Science and Technology on S.B. No. 2227

The purpose of this measure is to establish telehealth services as reimbursable services.

Your Committees received testimony in support of this measure from the Department of Health with comments, the Department of Commerce and Consumer Affairs, the Office of the Insurance Commissioner, Hawaii Primary Care Association, Hawaii Medical Service Association, Hawaii Primary Care Association, and Hawaii Pacific Health.

Your Committees find that telehealth services are necessary to circumvent the geographic barriers that prevent ready access to health care for all residents of Hawaii. Expanding the use of technology and allowing reimbursement for telehealth services will improve the level of health care that is provided and be cost-efficient for patients and health care providers.

Your Committees have amended this measure by adopting the recommendations of the Department of Health by broadening the scope of reimbursable telehealth services to include health care provider-patient relationships, as opposed to just physician-patient relationships.

Your Committees further amended this measure by adopting the recommendations from Hawaii Pacific Health to ensure that telehealth services can be performed in an emergency room/ trauma care situation by allowing the establishment of a health care provider-patient relationship through a telehealth mechanism when one does not already exist.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2227, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Ihara, Tsutsui, Whalen).

SCRep. 2479 (Joint) Health and Human Services on S.B. No. 2329

The purpose of this measure is to mandate the ongoing regulation of Community Care Family Foster Homes (CCFFH) and Home- and Community-based Case Management Agencies (HCCMA) by repealing the sunset date, and to increase the number of medicaid clients that a community care family foster home may serve and the number of clients a Type I EARCH may serve.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Human Services, Hawaii Disability Rights Center, Hawaii Coalition of Care Home Administrators, The Primary Care Providers of Hawaii, Case Management Council, Ramiro-Anderson & Talavera, Case Management Professionals, Inc., and the United Group of Home Operators. Your Committees received testimony in support of this measure, but that also expressed concerns, from the State Council on Developmental Disabilities. Your Committees received testimony in opposition to this measure from the Policy Advisory Board for Elder Affairs and two individuals.

Your Committees find that regulating the CCFFH and HCCMA is necessary to ensure quality health care services and continued competency of service providers.

Your Committees have amended this measure by deleting everything but the repeal of the sunset date.

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. 2329, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2329, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 2480 Health on S.B. No. 3153

The purpose of this measure is to authorize the issuance of general obligation bonds for the purpose of completing construction for the Hana health nutrition training center.

Your Committee received testimony in support of this measure from the Hana Community Health Center and one hundred thirty-two individuals. Your Committee received comments from the Department of Health.

Your Committee finds that the Hana Health Nutrition Training Center is an integral part of the Hana Community Health Center which provides healthy meals and snacks to those in need. The Nutrition Center will serve an important function to the residents of the remote town of Hana by providing nutritional education, creating new jobs, and expanding the Hana Health Organic Farm Project.

Your Committee amended this measure by increasing the amount of general obligation bonds to \$1,447,220 for the purposes of completing construction and purchasing equipment, including commercial kitchen equipment, for the Hana health nutrition training 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. 3153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2481 Commerce, Consumer Protection and Housing on S.B. No. 3064

The purpose of this measure is to establish procedures for the creation of annuities used as settlement proceeds in structured settlements.

Testimony in support of this measure was submitted by the American Council of Life Insurers, the National Association of Settlement Purchasers, Consumer Lawyers of Hawaii, and an individual who is a structured settlement broker in Hawaii. No testimony in opposition to this measure was submitted.

Currently, forty-three states have structured settlement transfer statutes similar to this measure. The National Conference of Insurance Legislators has also adopted the Model State Structured Settlement Protection Act.

Your Committee finds that this measure will allow Hawaii citizens to have flexibility and control over their property rights and future, while providing a statutory scheme to ensure that all secondary market transactions are completed in a manner that ensures that such transactions are reasonable and appropriate and that the individuals who go forward with such transactions are well-informed and treated fairly.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3064, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2482 (Joint) Education and Military Affairs and Health on S.B. No. 3273

The purpose of this measure is to allow certified substance abuse counselors to provide assessments under the zero tolerance policy of the Department of Education.

This measure also defines "certified substance abuse counselor," provides insurance coverage for their services under in the zero tolerance policy law, and make permanent the amendments made to the zero tolerance policy law by Act 231, Session Laws of Hawaii 2005.

Your Committees received testimony in support of this measure from the Department of Education, Hina Mauka, Hawaii Substance Abuse Coalition, and one individual. Comments were received from the Drug Action Policy Group and Hawaii Medical Service Association.

Your Committees find that the primary duty of school officials and teachers is the education and training of our youth. The rapid increase in the number of disruptive students in our public schools has a detrimental effect on those students seeking a quality education. Without first establishing discipline and maintaining order, teachers cannot begin to educate our children. Your Committees believe that to ensure that schools remain safe and conducive to learning, the problem of student discipline that arises from substance abuse while on or off school campuses needs to be addressed.

The intent of your Committees is that the disciplinary procedures under the zero tolerance policy law be fair and consider the best interests of the student, particularly if the student is abusing alcohol or drugs.

Your Committees have amended this measure by:

- (1) Changing the section being amended;
- (2) Requiring insurance reimbursements to certified substance abuse counselors; and
- (3) Making technical, nonsubstantive amendments to form and format.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3273, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Majority Leader and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2483 (Joint) Education and Military Affairs and Health on S.B. No. 3275

The purpose of this measure is to appropriate funds to establish an "assessment bank" to cover the cost of substance abuse assessments of uninsured students who violate the Department of Education's zero tolerance policy relating to alcohol and drugs.

Your Committees received testimony in support of this measure from the Departments of Education and Health, Hina Mauka and the Hawaii Substance Abuse Coalition, the Drug Policy Action Group, and one individual.

Your Committees find that there were 1,103 students involved in 930 offenses relating to the use of alcohol or illicit substances during the 2004-2005 school year, and that resources should be committed to provide for an assessment bank that would fund assessment services for uninsured students.

Your Committees have amended this measure by including an appropriation amount, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3275, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 3275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader and Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Hogue, Whalen).

SCRep. 2484 Education and Military Affairs on S.B. No. 2836

The purpose of this measure is to increase the amount of money deposited into the State Educational Facilities Improvement Special Fund (SEFI Fund).

Testimony in support of this measure was submitted by the Department of Education. The Department of Budget and Finance submitted testimony in opposition to this measure. The Hawaii Tax Foundation submitted comments.

Your Committee finds that there is a compelling need to immediately fund the backlog of repair and maintenance projects in the public schools because Hawaii's children deserve a quality education in a clean, safe environment. This backlog is currently estimated at \$525,000,000 and includes recurring major and minor repairs, maintenance, nonrecurring projects, and emergency repairs. Your Committee notes that this measure will address the repair and maintenance backlog by increasing the amount of money deposited into the SEFI fund for one year.

Your Committee has amended this measure to require the amount of \$140,000,000 from all general excise tax revenues realized by the State and \$220,000,000 from the proceeds of general obligation bonds authorized for the fiscal year to be deposited in the state treasury as a credit to the SEFI Fund.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2836, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

SCRep. 2485 Commerce, Consumer Protection and Housing on S.B. No. 3126

The purpose of this measure is to create an incentive for the construction of affordable housing units in Hawaii through a general excise tax credit.

Testimony in support of the measure was submitted by Land Use Research Foundation of Hawaii, Pacific Housing Assistance Corporation, and an individual. The Department of Taxation opposed the measure. Tax Foundation of Hawaii offered comments.

Your Committee finds that tax incentives are critical to stimulate investment in the development of affordable housing. The four percent general excise tax credit on residential construction cost could leverage millions of dollars in investment in new and renovated homes. Although a general excise tax exemption is currently available for qualified housing developers, the tax credit is more marketable to investors as a means of generating capital for housing development.

Your Committee has amended this measure to delete the cap on maximum allowable credits during the taxable year, and to make technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3126, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2486 Commerce, Consumer Protection and Housing on S.B. No. 2572

The purpose of this measure is to allow the issuance of special purpose revenue bonds to assist not-for-profit organizations in the development of low and moderate income housing.

Your Committee received testimony in support of this measure from the Governor, Department of Budget and Finance, Land Use Research Foundation of Hawaii, UniDev LLC, Pacific Housing Assistance Corporation, Hawaii Association of Realtors, and The Affordable Housing and Homeless Alliance.

Your Committees find that the development of low and moderate income housing is a top priority of the Legislature. Affordable rental housing is the missing link between homelessness and having a place to live. The severity of Hawaii's housing crisis cannot be understated.

This measure would assist not-for-profit organizations in developing low and moderate income housing. These non-profit organizations are the only entities which would be willing to undertake a less than financial investment. At the same time, non-profits are most attuned to helping the less fortunate and those in downright need.

This measure is a recommendation of the Joint Legislative Housing and Homeless Task Force to address the dearth of affordable housing.

Your Committee has amended this measure to change the effective date to July 1, 2050, to continue discussions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2572, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2487 Commerce, Consumer Protection and Housing on S.B. No. 3004

The purpose of this Act is to accelerate a subcontractor's or materialman's right to payment upon completion of the subcontract or the furnishing of materials.

Testimony in support of this measure was submitted by Steel Fabricators and Erectors of Hawaii, AA Electric, Ltd., Mutual Welding Company, Ltd., V & C Drywall Contracts, Inc., Iron Workers Stabilization Fund, Swanson Steel Company, Inc., S and M Welding Co., Ltd., Alakai Mechanical, South Pacific Steel Corp., Subcontractors Association of Hawaii, and one individual. Testimony in opposition was received from the Department of Accounting and General Services, Laborers' International Union of North America Local 368 AFL-CIO, General Contractors Association of Hawaii, BIA-Hawaii, Willocks Construction Corporation, Hidano Construction Inc., Mouse Builders Inc., Co-Ha Builders, Inc., Isemoto Construction Co. Ltd., T.M.C. General Contracting Inc., Actus Lend Lease LLC, Metzler Contracting Co. LLC., Koga Engineering & Construction, Inc., Associated Builders and Contractors, Inc., Lehua Management Services, Inc., Walter Y. Arakaki General Contractor, Inc., Constructors Hawaii Inc., Walter Moody Construction Company, Ltd., Canaan Construction, Ltd., King & Neel, Inc., Thurston-Pacific, Inc., HSI Mechanical Inc., 3-D Builders, LYZ Inc., CC Engineering & Construction, Inc., Hawaii Surety Association, Ralph S. Inouye Co. Ltd., The Pacific Resource Partnership, Universal Construction, Inc., FLUOR, and two individuals.

This measure addresses a problem within the building industry. Materialmen and subcontractors often are at the mercy of general contractors when seeking the payment due to them upon completion of their work or upon their providing materials for a project. This problem is particularly serious for materialmen and subcontractors who are involved at the beginning of a project, when their work is completed or materials are furnished long before the project is completed. In many instances, subcontractors must wait many months, even years, before receiving full payment for their completed work. Often, the subcontractors are small family owned and run businesses that lack financial resources to withstand a long delay in receiving payments owed to them for work completed.

Your Committee finds that there is a need to give materialmen and subcontractors the right to payment upon furnishing of materials or completion of their work.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue discussions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3004, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2488 (Joint) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 2248

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

Testimony in support of the measure was submitted by the Department of the Attorney General, Business Plans Hawaii, Carol Kwan Consulting LLC, MMW Consulting, LLC, Hawaii Alliance of Nonprofit Organizations, and an individual writer.

Your Committees find that this measure will further strengthen Hawaii's charitable solicitation law, while easing regulatory burdens on those who provide grant writing services to charitable organizations, and facilitating filing of registration forms using the Internet. The measure strengthens consumer protections for Hawaii's charitable organizations and donors, and promotes confidence in good and safe philanthropy.

Your Committees have amended this measure by making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 2248, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2248, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (English, Ige, Sakamoto).

SCRep. 2489 (Joint) Health and Human Services on S.B. No. 2764

The purpose of this measure is to ensure and encourage the availability of care for trauma patients in the State by establishing a dedicated source of revenue to assist in the funding of such trauma care.

Your Committees received testimony in support of this measure from The Queen's Medical Center, Kaiser Permanente, and Healthcare Association of Hawaii. Your Committees received testimony recommending change to this measure from the Department of Health and Hawaii Pacific Health. The Department of Budget and Finance commented on the requirements needed for a special fund.

Your Committees find that a trauma system is a necessary public service and should be publicly supported. More than half of the trauma patients that are treated are under-insured or uninsured. Annual losses in the trauma center alone have reached over \$6,000,000.

Your Committees further find that a reliable, dedicated, source of funding will help ensure the success of the trauma system. Thus, adding and dedicating \$5 from every annual vehicle registration fee to the trauma system fund would be appropriate because it is a predictable amount that can be budgeted for every year, and a majority of patients that enter into the trauma care system do so as a result of motor vehicle related injuries.

Your Committees amended this measure by changing the name of the fund from "trauma care fund" to "trauma system fund," by clarifying the use of funds, and by appropriating \$3,000,000 into the trauma system special fund.

Your Committees further amended this measure by deleting funding from surcharges on fines and other offenses, and adding a provision for funding from an additional annual \$5 motor vehicle registration fee, specifically dedicated for deposit into the trauma system fund.

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. 2764, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2764, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ihara, Kokubun).

SCRep. 2490 Water, Land, and Agriculture on S.B. No. 2954

The purpose of this measure is to provide incentives and funding for irrigation repair and maintenance and to transfer non-agricultural park lands and agricultural marketing duties from the Department of Agriculture (DOA) to the Agribusiness Development Corporation (ADC).

Your Committee noted that a number of testimonies submitted expressed strong support for the irrigation repair and maintenance incentives and funding. However, those same testimonies also expressed strong opposition to the remainder of the bill, which transfers marketing duties and the jurisdiction of non-agricultural park lands from DOA to ADC. This type of testimony was submitted by DOA, the Dean of the University of Hawaii's College of Tropical Agriculture and Human Resources, Alluvion, the Big Island Farm Bureau, Castle and Cooke Hawaii, the East Kauai Water Users' Cooperative, the East Oahu Farmer's Association, the Hawaii Agriculture Research Center, the Hawaii Beekeepers' Association, the Hawaii Coffee Association, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, the Hawaii Tropical Fruit Growers Association, the Kona County Farm Bureau, the Maui County Farm Bureau, Saiva Siddhanta Church, and the Waimanalo Agricultural Association.

Testimony in opposition to this measure was submitted by ADC; the Department of Taxation; the Office of Hawaiian Affairs; the County of Maui's Department of Water Safety; Earth Justice; the Hawaii Cattlemen's Council; the Hawaii Food Manufacturers Association; Hawaiian Sunshine Nursery, Inc.; Kahuku Brand Matsuda-Fukuyama Farms, Inc.; and one individual. Comments were submitted by the Department of Land and Natural Resources; Alexander & Baldwin, Inc.; and the Land Use Research Foundation of Hawaii.

Your Committee finds that the agricultural industry is an important component of the State's economic and social well-being, and based on the testimony received, your Committee has amended this measure by:

- (1) Deleting the provision that transfers agricultural marketing duties from DOA to ADC;
- (2) Deleting the provision that transfers the jurisdiction of non-agricultural park lands from DOA to ADC; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2954, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2491 Water, Land, and Agriculture on S.B. No. 2479

The purpose of this measure is to propose an amendment to Article VII, Section 12 of the Hawaii State Constitution to authorize special purpose revenue bonds to assist agricultural businesses on important agricultural lands.

Testimony in support of the measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the Dean of the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, and Maui Land and Pineapple Company, Inc. Testimony in opposition to the measure was submitted by Earthjustice and the Sierra Club.

Your Committee finds that Hawaii's agriculture industry has the ability to be globally competitive in developing high-value products that take advantage of Hawaii's brand identity. Thus, your Committee further finds that encouraging agricultural development will pay not only financial dividends to the State, but environmental and social dividends as well. This measure makes an amendment to Article VII, Section 12 of the Hawaii State Constitution, authorizing the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural businesses operating on important agricultural lands.

Your Committee notes testimony from Earthjustice and the Sierra Club raising important concerns regarding the need to establish instream flow standards. Your Committee agrees that these standards are very important to the State and emphasizes that this issue is currently addressed in other measures moving through the legislative process.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2479 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2492 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2550

The purpose of this measure is to establish the Kaka'ako Central Small Business District.

Testimony in support of this measure was submitted by the Friends of Kewalo Basin Park Association; Hui o Malama Kaka'ako Paka; U. Okada and Co., Ltd.; Save Our Kaka'ako Coalition; Tropical Lamp and Shade Co.; and seventeen individuals. Testimony in opposition to this measure was submitted by the Hawaii Community Development Authority (HCDA), the University of Hawaii School of Ocean and Earth Science and Technology, and General Growth Properties, Inc. Comments were submitted by the City and County of Honolulu Department of Planning and Permitting.

Your Committees find that the Kaka'ako Community Development District is an area within the City and County of Honolulu that is currently under HCDA's jurisdiction. For approximately thirty years, many businesses in the central core area have voiced their concerns and suggestions to HCDA to no avail. This measure establishes the Kaka'ako Central Small Business District within the Kaka'ako Community Development District, transfers jurisdiction over the Kaka'ako Central Small Business District to the City and County of Honolulu, and places a moratorium on infrastructure and street improvements in the Kaka'ako Central Small Business District until the end of 2006.

Your Committees noted concerns from the City and County of Honolulu regarding the coordination of the jurisdiction transfer and the financial needs of this area, especially in relation to any infrastructure commitments that have already been made. As a result, your Committees have deleted the provision which would transfer the jurisdiction of the Kaka'ako Central Small Business District to the City and County of Honolulu and recommends further discussion on this matter.

Your Committees have further amended this measure by amending the language of this measure to describe boundaries for the new district.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2550, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2550, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Baker, Hooser, Inouye).

SCRep. 2493 Water, Land, and Agriculture on S.B. No. 2485

The purpose of this measure is to authorize special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure which directly benefit and serve important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the Department of Taxation, the University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, and Maui Land and Pineapple Company, Inc. Testimony in opposition to this measure was submitted by Earthjustice and the Sierra Club. Comments were also submitted by the Department of the Attorney General.

Your Committee finds that Hawaii's agriculture industry has the ability to be globally competitive in developing high-value products that take advantage of Hawaii's brand identity. Thus, your Committee further finds that encouraging agricultural development will pay not only financial dividends to the State, but environmental and social dividends as well. This measure helps agriculture take steps in that direction by authorizing special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure which directly benefit and serve important agricultural lands.

Your Committee has amended this measure by:

- (1) Replacing all references to "agricultural enterprises that construct or renovate irrigation systems or infrastructure that directly benefit and serve important agricultural lands" with "agricultural businesses operating on important agricultural lands" so that the terms in this measure are consistent with the terms in S.B. No. 2479 proposing a related constitutional amendment;
- (2) Adding a provision that requests the Revisor of Statutes to substitute the appropriate section numbers for the letters used in designating the new sections; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee notes testimony from Earthjustice and the Sierra Club raising important concerns regarding the need to establish instream flow standards. Your Committee agrees that these standards are very important to the State and emphasizes that this issue is currently addressed in other measures moving through the legislative process.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2494 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 3063

The purpose of this measure is to exempt the sale of gasoline or diesel fuel from the state general excise tax and raise the state fuel tax on gasoline with the increase deposited into the general fund.

Testimony in support of this measure was submitted by Citizens Against Gasoline Price Gouging. Comments were submitted by the Department of Taxation, the Tax Foundation of Hawaii, and the Western States Petroleum Association.

Your Committee has amended this measure by making technical, nonsubstantive amendments to comport with the intent that the increase in the state fuel tax be deposited into the general fund.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3063, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 2495 (Joint) Education and Military Affairs and Water, Land, and Agriculture on S.B. No. 2707

The purpose of this measure is to provide additional funding for new century charter schools to use for rent or lease payments and repair, maintenance, and improvement costs for charter school facilities.

Your Committees received testimony in support of this measure from Innovations Public Charter School, Voyager Public Charter School, and thirteen individuals. Comments in support of the intent of this measure were received from the Charter School Administrative Office. Your Committees received comments on this measure from the Department of Taxation, the Tax Foundation of Hawaii, and the Board of Education.

Your Committees find lack of facilities funding is a significant financial and operational challenge for new century charter schools.

Your Committees have amended this measure by deleting the provisions relating to:

- (1) Memoranda of agreement between charter schools and state departments or agencies to determine the fee to be paid by the charter school for services relating to facilities;

- (2) Developer impact fees;
- (3) Authorization to lease public lands under the control of the Department of Land and Natural Resources to charter schools;
- (4) Tax credits to developers and landlords who lease units to teachers;
- (5) A revolving loan fund to finance charter school capital improvements;
- (6) Encouragement to the State to enter into long-term leases of lands and buildings for charter school facilities; and
- (7) Federal and state funding for charter schools.

Your Committees have also made technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2707, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2707, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (English, Fukunaga, Hogue).

SCRep. 2496 Education and Military Affairs on S.B. No. 2884

The purpose of this measure is to provide funds for training and other support for school community councils.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the department and the Board of Education should work together with the school community councils to propose an entity to carry out future training and provide support for the school community councils.

Your Committee has amended this measure by including the Department of Education's suggested appropriation amount, requiring the department and the board, in conjunction with the school community councils, to propose an entity to conduct training and provide support for the school community councils, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2497 (Joint) Education and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 2905

The purpose of this measure is to appropriate funds for transportation services for students attending Ke Kula Kaiapuni Hawaii o Kapaa on Kauai.

Your Committees received testimony in support of this measure from the Department of Education and twenty individuals.

Your Committees find that the Hawaiian immersion school attendance is growing exponentially and that support is necessary to continue the schools' methods of preserving Hawaiian culture. Your Committees further find that the Department of Education may partner with the Office of Hawaiian Affairs (OHA) so that each may provide up to fifty percent of the yearly cost of the transportation services described in this measure, provided that the total yearly expenditure shall not exceed \$75,000.

The measure is being amended to reflect the financial partnership with OHA that its Legal Advocate provisionally agreed to at the public hearing for this measure.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2905, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2905, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Ihara, Tsutsui, Hogue).

SCRep. 2498 Education and Military Affairs on S.B. No. 3196

The purpose of this measure is to require the Department of Education to divide its school facility capital improvement project priority lists into two lists, schools constructed over twenty-five years ago and schools constructed in the last twenty-five years.

Testimony in support of the measure was presented by the Hawaii State Teachers Association. Testimony in opposition to the measure was submitted by the Department of Education.

Your Committee finds that this measure will enable the Department of Education to move forward with its overall school repair and maintenance goals.

Your Committee recognizes the Department of Education's concerns that dividing its capital improvement priority lists into two categories is unnecessary; that because school facility capital improvement project funds are limited, this measure may dilute the overall emergency moneys available for repair and maintenance; and that funds should be used to address the most urgent projects, regardless of the age of the school. Your Committee notes, however, that the provisions of this measure are one way to move forward on the overall goal of improving all of our schools with major construction and not primarily new schools or expanding newer schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3196 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Majority Leader on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2499 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 3105

The purpose of this measure is to extend the reverse vending machine rebate program to persons who are not dealers or recyclers.

The Department of Health, the Windward Ahupua`a Alliance, Reynolds Recycling, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Hawaii Food Industry Association submitted testimony in opposition.

Your Committees find that recycling helps reduce the negative impacts of solid waste on our communities and the environment, in general. This measure provides an incentive for persons who are not dealers or recyclers to make reverse vending machines available and consequently increase consumer convenience with regard to the deposit beverage container law.

Upon further consideration, your Committees amended this measure by:

- (1) Extending the date by which the reverse vending machines must be installed and operational in order to qualify for the existing rebate to December 31, 2007;
- (2) Clarifying that the new rebate is for persons who are not dealers or recyclers;
- (3) Extending the time by which a person must apply for the new rebate to January 1, 2007; and
- (4) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2500 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2957

The purpose of this measure is to provide a comprehensive approach to achieving energy self-sufficiency for the State.

This measure promotes energy self-sufficiency by:

- (1) Increasing the renewable energy income tax credit for certain wind-powered and photovoltaic energy systems and removing the sunset date for the tax credits;
- (2) Authorizing the issuance of general obligation bonds for a photovoltaic pilot project and to bring state facilities into compliance with the State's greenhouse gas and energy consumption reduction goals;
- (3) Requiring the use of design guidelines and standards to promote green building practices in construction or substantial renovation projects that are funded more than fifty percent with state funds; and
- (4) Establishing a financing mechanism for purchases of residential solar hot water heater systems.

The Department of Accounting and General Services, the Department of Business, Economic Development and Tourism, the Department of Commerce and Consumer Affairs, the Department of Education, the Conservation Council for Hawaii, Hawaiian Electric Company, the Hawaii Renewable Energy Alliance, the Hawaii Solar Energy Association, PowerLight, the Rocky Mountain

Institute, the Sierra Club, Inter Island Solar Supply, and Honolulu Seawater Air Conditioning LLC, submitted testimony in support of this measure. The Department of Taxation, the Public Utilities Commission, the Hawaii Energy Policy Forum, American Forest and Paper Association, Life of the Land, and The Gas Company submitted comments.

Your Committees find that this measure takes a comprehensive approach to reducing the State's dependence upon petroleum. The measure improves the State's energy security and assists the State in becoming more energy self-sufficient.

Upon further consideration, your Committees have amended this measure by:

- (1) Increasing the credit for solar thermal energy systems for:
 - (A) Single-family residential property to \$2,250;
 - (B) Multi-family residential property to \$1,000; and
 - (C) Commercial property to \$500,000;
- (2) Increasing the credit for photovoltaic energy systems for:
 - (A) Single-family residential property to \$7,500;
 - (B) Multi-family residential property to \$1,000; and
 - (C) Commercial property to \$500,000;
- (3) Indicating that for taxable years beginning after December 31, 2005, the dollar amount of any utility rebate shall be deducted from the costs eligible for the state tax credit to ensure that the state renewable energy income tax credit will not be impacted by the federal credit;
- (4) Expanding the photovoltaic pilot project to a photovoltaic net energy metered pilot project that can include more than one public school per island, and elaborating on the pilot project objectives;
- (5) Indicating that the utility may extend the term of a pay-as-you-save-model fee to the original or successor residential consumers at a location where permanent energy technology measures have been installed;
- (6) Defecting the effective date to July 1, 2050; and
- (7) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2957, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Sakamoto).

SCRep. 2501 (Joint) Health and Intergovernmental Affairs on S.B. No. 3272

The purpose of this measure is to reimburse the counties for the remaining balance of their costs for issuing parking placards to persons with disabilities on behalf of the State.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, City and County of Honolulu-Division of Motor Vehicles, County of Maui Department of Finance, the Mayor of County of Hawaii, and one individual.

Your Committees find that having the counties administer the parking placard program for persons with disabilities has been effective and efficient, and placards have been issued in a timely manner. The appropriation will reimburse the counties for the remaining balance of their actual costs for the 2005-2006 fiscal year.

Your Committees have amended this measure as suggested by the Disability and Communication Access Board by changing the appropriation for the fiscal year from "2006-2007" to "2005-2006," changing the effective date to comport within that change and inserting the appropriate amount for each county.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3272, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3272, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2502 Health on S.B. No. 2035

The purpose of this measure is to appropriate funds as a grant to Wahiawa General Hospital for enhanced imaging and diagnostic equipment.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii and the Chief Executive Officer of Wahiawa General Hospital. The Department of Health submitted testimony in opposition.

Your Committee finds that Wahiawa General Hospital is a small rural acute care hospital serving central Oahu and the north shore. Wahiawa General Hospital provides a twenty-eight-bed acute care medical-surgical unit, the only senior behavioral health service in the State, a one hundred-three-bed long-term care unit, a full obstetrical care unit, a 24/7 emergency room, the State's only family medicine teaching program, and a clinic that serves primarily low income patients in Mililani. While diligent in efforts to hold down costs for its service area communities, Wahiawa General Hospital has been unable to establish a funding source for capital equipment purchases.

Your Committee finds that it is in the public interest to assist Wahiawa General Hospital to upgrade its imaging capabilities by funding the purchase of computerized tomography equipment, picture archiving and communication systems, computed radiography, equipment and ultrasound equipment.

Your Committee has amended this measure by inserting the amount of the grant request, \$2,200,000, and specifying that the funds are to be used for improvements to the diagnostic imaging department including equipment, installation, infrastructure and 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. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2035, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2503 Health on S.B. No. 3146

The purpose of this measure is to provide intra-island aeromedical services to rural Oahu.

Your Committee received testimony in support of this measure from the Department of Defense, City and County of Honolulu - Emergency Services Department, Pacific Medical Assets, and two individuals. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that Army's Military Assistance to Safety and Traffic (MAST) helicopter will cease civilian helicopter transports on Oahu due to its planned return to Iraq. For the past several years, the MAST helicopter has been transporting critically injured patients who require medical attention from rural parts of Oahu to metropolitan hospitals and trauma facilities. This aeromedical helicopter is a tremendous asset to the medical community and patients whose lives depend on specialized medical procedures not available to them at their local hospitals.

Your Committee has amended this measure to allow the Department of Health to contract with a private entity, in addition to a government agency or United States military unit, for aeromedical helicopter service. Additionally, your Committee amended this measure to require matching funds from the City and County of Honolulu to be consistent. Aeromedical helicopter service provided on Maui and Big Island require matching funds from the county for which the service is provided.

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. 3146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3146, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2504 (Joint) Water, Land, and Agriculture and Higher Education on S.B. No. 2476

The purpose of this measure is to require the Agribusiness Development Corporation, the Hawaii Community Development Authority, and the University of Hawaii to obtain legislative approval before selling any State-owned land.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, Save Our Kaka'ako Coalition, Kewalo Basin Park Association, and seven individuals. Testimony in opposition to this measure was submitted by the Hawaii Community Development Authority, the University of Hawaii, and the University of Hawaii's School of Ocean and Earth Science and Technology. Comments were also submitted by the ADC and the Office of Hawaiian Affairs.

Your Committees find that state lands are an invaluable asset and should be preserved. Thus, if state lands are to be disposed, it is imperative that the decision to dispose of the land should be done with great contemplation and transparency. This measure requires Agribusiness Development Corporation, Hawaii Community Development Authority, and the University of Hawaii to obtain legislative approval before permanently disposing of any state lands.

Your Committees amended this measure by:

- (1) Requiring legislative approval of all land exchanges made by the Agribusiness Development Corporation, the Hawaii Community Development Authority, the Housing and Community Development Corporation of Hawaii, and the High Technology Development Corporation;
- (2) Requiring legislative approval of all leases executed by the Hawaii Community Development Authority and the University of Hawaii;
- (3) Amending the legislative approval process by requiring a concurrent resolution to be adopted by a majority vote of both the Senate and the House of Representatives;
- (4) Providing exceptions to the legislative approval process for each agency;
- (5) Amending the information required in the concurrent resolution;
- (6) Amending section 206E-14(a) to include language that cross references the Hawaii Community Development Authority's new requirements for land dispositions;
- (7) Amending section 304-8.957(a) to include language that cross-references the University of Hawaii's new requirements for land dispositions;
- (8) Amending the effective date to provide that on July 1, 2006, section 201G-9 will be amended to include the changes made in this measure; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees also noted that the University of Hawaii expressed concerns that this measure violated Article X, Section 6 of the Hawaii State Constitution, which states that the Board of Regents shall have "exclusive jurisdiction over the internal structure, management and operation of the university." However, your Committees also note that Article X, Section 6 of the Hawaii State Constitution further states that the provisions in "[t]his section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern."

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2476, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2476, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the Majority Leader on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2505 Energy, Environment, and International Affairs on S.B. No. 2125

The purpose of this measure is to provide a tax credit for the purchase of "Energy Star" designated and labeled products.

The Department of Commerce and Consumer Affairs, the Department of Business, Economic Development and Tourism, the Hawaiian Electric Company, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that "Energy Star" rated products, such as energy-efficient appliances, will save Hawaii residents money and help to preserve the environment. As one testifier pointed out, the initial or up-front cost of an appliance frequently drives the consumer's purchase, even though a more energy-efficient product would save the consumer more money over time. This measure provides an incentive to Hawaii residents to purchase "Energy Star" rated products, thereby reducing energy demand and saving consumers money.

Upon further consideration, your Committee amended this measure by:

- (1) Adding the appropriate tax effective date language; and
- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2125, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2506 Commerce, Consumer Protection and Housing on S.B. No. 2076

The purpose of this measure is to allow, for a limited time, a fee owner to exclude from taxable income one hundred percent of capital gains realized from the sale of a leased fee interest in a residential house lot or multi-family residential leasehold property to a lessee, condominium association, or cooperative.

Testimony in support of this measure was submitted by Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii Chapter Community Associations Institute, Hawaii Association of Realtors, and one individual. No testimony in opposition to this measure was submitted. Comments were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure brings an incentive-based approach to the leasehold conversion process.

Your Committee further finds that the terms “multi-family residential leasehold property” and “multi-family residential leasehold unit” should include planned unit developments as defined in section 421J-2, Hawaii Revised Statutes, and has amended the measure to incorporate planned unit developments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2507 Commerce, Consumer Protection and Housing on S.B. No. 3184

The purpose of this measure is to adopt policies and reforms to support the Public Utilities Commission and the Division of Consumer Advocacy in their progressive and aggressive efforts to protect ratepayers and the public and implement the State’s energy strategy.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Division of Consumer Advocacy, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Rocky Mountain Institute, Young Brothers, Limited, Hawaiian Electric Company, The Gas Company, Hawaii Transportation Association, and two individuals.

Your Committee finds that Public Utilities Commission needs the resources to timely and fairly address regulatory issues regarding technological advances and operational efficiencies that encourage balanced growth and investment and ensure system reliability. The Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs serve indispensable functions that are necessary to implement sound energy policies for the State of Hawaii.

Your Committee has amended this measure by reverting from \$3,000,000 to \$1,000,000 as the amount to be retained in the Public Utilities Commission special fund, with any excess balance to be refunded to the credit of the public utilities paying into the fund.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3184, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2508 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2159

The purpose of this measure is to increase the penalties for identity theft and make it a crime to intentionally or knowingly possess the confidential information of another without that person’s authorization.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Hawaii Bankers Association, the Consumer Data Industry Association, and the Hawaii Financial Services Association. Your Committees received testimony in opposition to this measure from the Office of the Public Defender.

In 2005, the Hawaii Anti-Phishing Task Force was established by the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. By reviewing Hawaii’s and other jurisdictions’ activities, policies, directives, and laws relating to prevention, monitoring, and enforcement of electronic commerce-based crimes, the Task Force determined that identity theft was a more pervasive and serious problem than was previously recognized in the state of Hawaii.

Its recommendations have focused primarily on providing law enforcement with better tools to prosecute identity theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records. Taken in conjunction with the identity theft initiatives proposals from the Department of Commerce and Consumer Affairs, the Senate’s developing package of identity theft bills takes a major step forward in bringing the business, law enforcement, and government communities together to effectively track and combat identity theft crimes in Hawaii.

Hawaii law enforcement has found it difficult to curb the rise in identity theft related crimes when identity thieves in possession of personal information who have not yet caused a monetary loss to the victim cannot be prosecuted for crimes other than petty misdemeanor thefts. A nominal criminal consequence is inadequate to address and deter possession of another's personal information, and in fact perpetuates the larger problem of identity theft. Your Committees find that increasing the penalties for identity theft by amending the law to make identity theft an enumerated offense within the repeat offender statute, and amending the law to make intentionally or knowingly possessing confidential information of another without authorization a class C felony, will help to deter identity theft crimes.

Your Committees have amended this measure to address concerns that were raised in the testimony submitted. The definition of "confidential personal information" was amended to exclude the terms "mother's maiden name" and "fictitious person." A mother's maiden name is not considered confidential personal information and the term "fictitious person" is obsolete for purposes of this definition.

Your Committees recognize that identity theft in the first and second degree are offenses already subject to the repeat offender statute due to the fact that they are class A and B felonies, respectively. Therefore, section 3 of the measure, amending section 706-606.5, Hawaii Revised Statutes, was amended to delete references to section 708-839.6 and 708-839.7.

Your Committees further recognize that the unauthorized possession of confidential personal information should be treated as a separate offense from identity theft in the first degree, second degree, or third degree. The purpose of enacting a new law for the unauthorized possession of confidential personal information is to fill the loophole under current law and provide for appropriate criminal prosecution. Therefore, the amendment to section 708-839.8, identity theft in the third degree, was deleted. Instead, your Committees added a new section to chapter 708 to prohibit the unauthorized possession of confidential personal information. The definition of "personal information" was also added to section 708-800, Hawaii Revised Statutes. Finally, technical and nonsubstantive amendments were made to change formatting.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2159, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2159, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2509 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2158

The purpose of this measure is to prohibit public inspection of the social security number of any individual contained in family court records or judgments affecting title to land without the consent of that individual.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Honolulu Police Department, the Hawaii Financial Services Association, and the Hawaii Bankers Association. Your Committees received testimony in opposition to this measure from the Judiciary and the Consumer Data Industry Association. The Department of Commerce and Consumer Affairs submitted comments.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. By reviewing Hawaii's and other jurisdictions' activities, policies, directives, and laws relating to the prevention, monitoring, and enforcement of electronic commerce-based crimes, the Task Force determined that identity theft was a more pervasive and serious problem than was previously recognized in the State of Hawaii.

Its recommendations have focused primarily on providing law enforcement with better tools to prosecute identity theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records. Taken in conjunction with the identity theft initiatives proposals from Department of Commerce and Consumer Affairs, the Senate's developing package of identity theft bills takes a major step forward in bringing the business, law enforcement and government communities together to effectively track and combat identity theft crimes in Hawaii.

One area of particular concern to the Task Force was the number of Hawaii laws that require individuals to provide nonpublic personal and financial information that subsequently becomes embedded in publicly accessible records. The Task Force concluded that the best way to prevent exploitation of personal and financial information belonging to Hawaii residents was to provide greater protection for such information under Hawaii's public law records and identity theft prevention laws. The Task Force identified two categories of public records that are potentially vulnerable to misuse: family court actions and judgments affecting title to land.

Hawaii divorce, separation, and annulment proceedings are initiated by filing a complaint, summons, and matrimonial action information (MAI) form with the family court. The MAI requires the party initiating the proceedings to furnish the social security number, among other items of personal information, of each party to the action. Divorce judgments and paternity judgments also require the inclusion of the parties' social security numbers. The documents filed to establish or modify a support order or to determine parentage also require personal identifying information, including social security numbers, which becomes part of the family court record.

All judgments affecting title to real property must include the social security number, general excise tax number, or federal identification number for persons, corporations, partnerships, or other entities against which the judgment is rendered. This includes every judgment recorded by the Bureau of Conveyances and judgments of federal courts recorded in either the Bureau of Conveyances or Land Court.

Although public inspection of public records is a strong public policy, an equally strong policy exists to protect individuals' private information. Your Committees find that amending the law to prohibit the public inspection of the social security number of an individual contained in family court records or land judgments without the consent of that individual allows individuals to protect and have control over their own personal information. Despite concerns and comments raised on restricting access to social security numbers contained in public records, your Committees have decided to move ahead with their efforts to combat the growing problem of identity theft.

It is noted that the Judiciary had concerns with respect to obtaining an individual's consent prior to the family or land court releasing a document for public inspection that contains that individual's social security number. Besides the delay and burden this requirement will cause court records staff, the Judiciary noted that land court documents are all public documents and social security numbers are needed for purposes of identification and verification.

Your Committees have amended sections 501-151, 502-33, 504-1, and 636-3, Hawaii Revised Statutes, with respect to land judgments, to require that the social security number be redacted so that only the last four digits of the number are available rather than requiring the consent from the individual before public inspection. Furthermore, new sections were added to chapters 501, 502, 571, and 580, Hawaii Revised Statutes, to require the registrar of the land court, the registrar of the Bureau of Conveyances, and the family court to redact the first five digits of an individual's social security number before the public inspection. While your Committees note that there are other records available for public inspection that may contain an individual's social security number, the amendments to this measure are limited to family court documents and land judgments as the starting point in a package of identity theft initiatives this session.

Your Committees believe that the Committee on Judiciary and Hawaiian Affairs, especially in light of the concerns that were raised by the Judiciary, should continue the dialogue on this matter. Your Committees suggest that the Committee on Judiciary and Hawaiian Affairs consider limiting the liability of the courts in cases where social security numbers in documents are inadvertently released in pleadings or exhibits prepared by parties or their attorneys. Your Committees also suggest that the Judiciary set a deadline to implement guidelines that will prohibit the use of social security numbers in future pleadings and court documents when it is not specifically required by statute. Your Committees further note that the continuing evaluation of how best to safeguard personal identifying information in public records is proposed as part of the responsibilities of the Identity Theft Task Force specified in S.B. No. 2157 S.D. 1. Lastly, your Committees suggest an appropriation to the Judiciary to train its employees to conform to the new guidelines. Your Committees emphasize that this measure is a "work in progress" and it is a strong effort to combat electronic commerce-based crimes that are a growing problem in Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2158, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2158, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2510 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2157

The purpose of this measure is to appropriate funds for an expanded law enforcement effort to compile a uniform identity theft complaint tracking system, to support an increase in community outreach programs, and to fund a study on the nexus between methamphetamine use and identity theft.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Honolulu Police Department, the Hawaii Bankers Association, and the Hawaii Financial Services Association.

Furthermore, your Committees received testimony in support of S.B. No. 2160 from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Judiciary, the Honolulu Police Department, the Hawaii Bankers Association, and the Hawaii Financial Services Association. The Legislative Reference Bureau submitted comments on S.B. No. 2160. Amendments to S.B. No. 2157 incorporate the contents of S.B. No. 2160.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. By reviewing Hawaii's and other jurisdictions' activities, policies, directives, and laws relating to the prevention, monitoring, and enforcement of electronic commerce-based crimes, the Task Force determined that identity theft was a more pervasive and serious problem than was previously recognized in the state of Hawaii.

Its recommendations have focused primarily on providing law enforcement with better tools to prosecute identity theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records. Taken in conjunction with the identity theft initiatives proposals from Department of Commerce and Consumer Affairs, the

Senate's developing package of identity theft bills takes a major step forward in bringing the business, law enforcement and government communities together to effectively track and combat identity theft crimes in Hawaii.

The Task Force has designated the Department of the Attorney General to pursue three methods to combat identity theft in Hawaii: First was a uniform tracking system allowing law enforcement agencies in Hawaii to track identity theft cases in a variety of ways. A uniform system of tracking cases will ultimately assist state law enforcement personnel comprehend the depth and scope of identity theft and provide a more effective and efficient response to the growing problem. Since identity theft may stem from or contribute to commission of other electronic crimes, the uniform tracking system should also incorporate electronic crimes. Funding is needed to establish a uniform system of tracking cases.

Second, increasing the number of identity theft community outreach programs available for the public is a cost-effective way to deter identity theft in the State. Funding is needed to support current awareness programs and retain experienced media or public relations firms to develop television, print, and radio public service announcements.

Finally, Hawaii's drug epidemic is viewed by law enforcement as a major contributor to identity theft related crimes. Understanding the relationship between those who illegally use drugs and identity theft will aid law enforcement and the public in better understanding how to address and respond to the increasing problem of identity theft. In particular, funding is needed to support a study on the nexus between methamphetamine use and identity theft.

Your Committees have amended this measure to appropriate specific amounts to compile a uniform identity theft complaint tracking system; to support an increase in community outreach programs; and to fund a study on the nexus between methamphetamine use and identity theft to help prevent further occurrences of identity theft in the State.

Your Committees have also amended this measure by inserting language from S.B. No. 2160 to include the provisions relating to the Hawaii Anti-Phishing Task Force. In the course of its discussions, the task force decided to broaden its focus from phishing scams to the more pervasive problem of identity theft, which encompasses phishing and other electronic commerce-based crimes. Therefore, your Committees have amended this measure to:

- (1) Change the name of the Hawaii Anti-Phishing Task Force to the Identity Theft Task Force;
- (2) Expand the responsibilities of the task force;
- (3) Add additional members;
- (4) Designate the Office of the Auditor to provide support services by appropriating \$200,000 to the Office of the Auditor; and
- (5) Extend the life of the task force from June 30, 2006 to December 31, 2007.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2157, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2511 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 3109

The purposes of this measure are to impose criminal penalties for a type of identity theft known as "phishing". Specifically, this measure:

- (1) Makes the practice of using a computer to access or obtain an individual's identifying information a class B felony;
- (2) Makes the sale or distribution of illegally obtained identifying information a class B felony;
- (3) Makes the use of illegally obtained identifying information a class B felony;
- (4) Provides for restitution for victims; and
- (5) Provides for civil liability of violators.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the University of Hawaii, and the Honolulu Police Department. The Office of the Public Defender submitted comments on the measure.

Phishing is the term used to describe internet information-gathering schemes. Scammers attempt to dupe internet users into divulging confidential information, such as credit card numbers, passwords, and account information, under false pretenses. Phishers send out millions of bogus emails hoping to lure victims to follow links to fraudulent or spoofed websites that look official enough to trick victims into believing they are legitimate sites. The embedded links actually take unsuspecting internet users to a scam site or pop-up window that appears identical to the official site, where victims may be tricked into divulging confidential personal

information. According to a report by the computer security company Symantec Corp., phishing attacks in 2005 were up one hundred per cent from the year before, which resulted in a significant increase in the loss of confidential financial information.

Phishing is an escalating problem that is devastating for its victims and difficult to prosecute. Stiffer criminal penalties are needed for phishers who use a computer to access or obtain an individual's identifying information, or who sell, distribute, or use the illegally obtained identifying information. Additionally, remedies are needed for phishing victims, such as restitution and the possibility of filing a civil action for damages.

Your Committees find that amending chapter 708, Hawaii Revised Statutes, by adding three new sections that will impose severe criminal penalties on violators and provide monetary remedies for victims will help address the problem of phishing. Furthermore, the amendments to chapter 708 will aid law enforcement officers in their efforts to combat identity theft crimes.

Your Committees note that within the "package" of identity theft related bills reviewed by the Committees, the definition of "confidential personal information" in S.B. 2159, S.D. 1 contains many of the same elements as the definition of "identifying information" in this bill. As the bills move forward, conformity in related definitions will continue to be a priority of the Committees.

Your Committees have amended this measure for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3109, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3109, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (English, Espero, Ihara).

SCRep. 2512 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2293

The purpose of this measure is to restrict businesses, subject to limited exceptions, from disclosing an individual's social security number to the general public.

Specifically, this measure:

- (1) Restricts business from printing the social security number on an identification card or in mailings to customers; and
- (2) Restricts the transmission of an individual's social security number to third parties without the individual's written consent unless the third party needs the information for a legitimate purpose.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, Hawaii Medical Service Association, the Chamber of Commerce of Hawaii, Hawaii Bankers Association, and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the American Council of Life Insurers. Comments were submitted by Consumer Data Industry Association, Hawaii Insurers Council, and the ILWU Local 142.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force.

In 2005, the Hawaii Anti-Phishing Task Force was established by the Department of the Attorney General to develop a state policy on how best to prevent further occurrences of phishing and other forms of electronic-based crimes in the State.

The Task Force's recommendations have focused primarily on providing law enforcement with better tools to prosecute ID-theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

This measure imposes requirements on businesses to protect a person's identity. However, the Department of Commerce and Consumer Affairs recognizes and these Committees find that the obligations imposed by this measure should also extend to government agencies in Hawaii.

Your Committees further find that one of the tools most often used to steal a person's identity is the person's social security number and this measure will minimize the abuses associated with the fraudulent use of a person's social security number by restricting its use as an identifier.

Your Committees have amended this measure by:

- (1) Exempting employer-to-employee communications or materials requested by the individual from the prohibition of printing an individual's entire social security number on these materials;
- (2) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and
- (3) Extending the effective date of this measure to January 1, 2007.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2293, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2293, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2513 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2292

The purpose of this measure is to require businesses that maintain or possess personal information of Hawaii residents to protect against unauthorized access to or use of the information after its disposal by properly destroying the personal information.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Hawaii Bankers Association, Retail Merchants of Hawaii, and the Honolulu Police Department. The American Council of Life Insurers and the Consumer Data Industry Association submitted comments on this measure.

Your Committees find that business records are a leading source of personal information for identity thieves. Any entity that maintains personal information as part of its business operations should establish security procedures to maintain the confidentiality and integrity of that information. This measure requires that businesses that collect personal identifying information take reasonable measures to protect this information against unauthorized access to or use by properly discarding and destroying the information. Establishing proper procedures for the destruction of this type of information is crucial to protect Hawaii's consumers.

Your Committees have amended this measure by:

- (1) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and
- (2) Extending the effective date of this measure to January 1, 2007.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2292, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2514 Commerce, Consumer Protection and Housing on S.B. No. 2962

The purpose of this measure is to amend sections of Hawaii's condominium law and to amend sections of chapter 514C, Hawaii Revised Statutes to make these sections consistent with the condominium law.

Testimony in support of this measure was submitted by the Community Associations Institute, Hawaii Chapter, and an individual. Testimony in opposition to this measure was submitted by the Hawaii Council of Associations of Apartment Owners and the Hawaii Independent Condominium and Cooperative Owners. Comments were submitted by the Real Estate Commission's Condominium Review Committee.

Your Committee finds that the parties affected by this measure are in discussion. Your Committee ask that the affected parties continue to dialogue. Your Committee has amended this measure by amending section 12 of this measure to provide that it applies to projects over 100 units, not just those of 100 units, and to change the percentage from seventy-five to seventy per cent for nonresident owners and by changing the effective date to July 1, 2050. Your Committee has also amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2962, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2515 Health on S.B. No. 3231

The purpose of this measure is to establish guidelines for professional licensure of genetic counselors to ensure the public has access to qualified genetic counselors.

Your Committee received testimony in support of this measure from the March of Dimes, Kaiser Permanente, Ohana Genetics, Kapiolani Medical Center for Women and Children, and twenty-one individuals.

Your Committee finds that genetic counselors are specially trained professionals whose unique skills make them a valuable member of a health care team. In addition to many other duties, genetic counselors perform risk assessments for the leading causes of death such as cancer, stroke, and heart disease. Providing this information to physicians and patients has the potential to optimize health care, prevent disease, and enhance overall quality of life.

Your Committee further finds that to ensure the public health and welfare and to continue the high standards of care provided by genetic counselors, professional licensure guidelines need to be established.

Your Committee further finds that a new regulatory program like the one proposed in this measure requires a sunrise report pursuant to §26H-5, Hawaii Revised Statutes. The measure is being referred to the Committee on Commerce, Consumer Protection, and Housing for additional input to provide the Auditor a framework with which to perform the sunrise analysis.

Your Committee has amended this measure by adopting the suggestions of the March of Dimes and Kaiser Permanente by licensing genetic counselors through the Department of Commerce and Consumer Affairs, instead of the Department of Health. Additionally, your Committee amended this measure by clarifying the scope of practice for genetic counselors and including an exemption section.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3231, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2516 (Joint/Majority) Health and Human Services on S.B. No. 2503

The purpose of this measure is to prohibit the sale and distribution of flavored tobacco products.

Your Committees received testimony in support of this measure from the Attorney General, Department of Health, American Heart Association, American Cancer Society, and the Coalition for a Tobacco Free Hawaii. Your Committees received testimony in opposition to this measure from the Cigar Association of America.

Your Committees find that there has been an influx of new flavored tobacco products on the market targeting children. These products work as an innovation intended to increase market share of tobacco manufacturers by both meeting product preferences of target audiences and acting as a means of reaching desirable young target audiences in an environment of growing tobacco restrictions.

Your Committees further find that since the use of cartoon characters to sell cigarettes has been prohibited, major tobacco companies have devised a new way to target children by selling cigarettes and other tobacco products in assorted candy and exotic flavors, such as “twista lime” and “chocolate mint.”

Your Committees further find that prohibiting the sale and distribution of flavored cigarettes is imperative to the health and well-being of our children.

Your Committees have adopted the suggestions of the Department of the Attorney General, the Department of Health, and the Cigar Association of America and amended this measure to prohibit the distribution and sale of flavored cigarette products but not other tobacco products for which the marketing focus is not children.

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2503, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2503, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 2 (Trimble, Whalen). Excused, 3 (Fukunaga, Hanabusa, Kokubun).

SCRep. 2517 Health on S.B. No. 3152

The purpose of this measure is to appropriate funds to the Hana Community Health Center to allow it to continue its current level of operations and further develop its capacity to meet the on going needs of this isolated community.

Your Committee received testimony in support of this measure from the Hana Community Health Center and nine individuals.

Your Committee finds that the mission of the Hana Health Community Center to improve the health and wellness of the district of Hana is especially beneficial to the residents who are underserved due to financial, cultural, or geographic barriers. Your Committee further finds that funding for the Center will enable it to continue improving the social and economic conditions of the fragile community.

Your Committee has amended this measure by omitting the provisions for equipment and commercial kitchen equipment, thus reducing the amount appropriated to \$1,052,780.

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. 3152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3152, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2518 Health on S.B. No. 2038

The purpose of this measure is to appropriate funds for Na Lei Wili Area Health Education Center's (AHEC) Grow Our Own Healers program.

The President of the Board of Na Lei Wili AHEC submitted testimony in support of this measure.

Your Committee finds that Na Lei Wili AHEC has developed an excellent program for health careers recruitment on Kauai and on Oahu in after school health career clubs at Dole and Farrington. The program, called Grow Our Own Healers, involves students from middle school through graduate school in the learning process. The year-long program for high school students encourages the students to perform community service and hospital volunteer work while learning about health professions. In the summer, a three-week long program is offered in which middle school students work alongside high school students, nursing students, and visiting medical, medical technology, nursing, and social work students to learn about native healing methods, modern health techniques, and healthy lifestyles. Na Lei Wili AHEC testified that hundreds of students have participated in health career activities with many planning to pursue healthcare careers. Former club members are currently pursuing degrees in health professions at University of Hawaii-Manoa and the community colleges.

Upon further consideration, your Committee has amended this measure to appropriate \$100,000 for fiscal year 2006-2007.

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. 2038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2519 Media, Arts, Science and Technology on S.B. No. 2382

The purpose of this measure is to:

- (1) Provide revenue generating initiatives that will be benefits-funded, meaning the vendor will only be paid when measurable increases in revenues resulting from the initiatives are collected by the State;
- (2) Create an integrated tax information management system (ITIMS) special fund to hold the proceeds from the initiatives, to be used in part to enhance the Department of Taxation's computer system, ITIMS; and
- (3) Fund related operational and administrative functions.

Your Committee received testimony in support of this measure from the Department of Taxation. The Office of the Auditor and the Tax Foundation of Hawaii submitted comments.

Act 273, Session Laws of Hawaii 1999, authorized the Department of Taxation to enter into a performance-based contract to acquire the Integrated Tax Information System (ITIMS). A performance-based contract is one in which the State is liable to pay the vendor only if the promised performance is achieved. In this case, the performance consists of the State collecting more tax revenue than it would have collected if the vendor's services were not used. If the expected benefits are not in fact produced, the vendor does not get paid.

As a result of Act 273, the Department saw an outstanding increase in performance of department responsibilities, and successfully proved its ability to increase revenues for the state general fund. The initial ITIMS initiatives increased revenues by more than \$252,000,000 during the five-year project. This revenue was deposited in the State's general fund and represents a four hundred seventy-five per cent return on investment.

Since the ITIMS initiatives represent a significant revenue-generating potential, the Department has proposed a benefits-funded approach for the contract structure. As was the case in the five-year ITIMS project, benefits-funding establishes mandatory performance targets that the vendor must achieve to be paid. Since under the benefits-funding method, the vendor is responsible for the up-front costs of the upgrades, ninety per cent of the initial distribution will go to the ITIMS special fund to be used to pay the vendor until vendor costs have been fully paid, and the remaining ten per cent will be transferred to the general fund. As a result, the ITIMS special fund will provide a self-sufficient model to fund ITIMS revenue-generating initiatives, its related tax processing, and its capacity improvements, while providing the general fund with an estimated revenue boost of \$65,200,000 million over five years.

Your Committee finds that for the Department to realize these benefits, an appropriation is needed to initiate the benefits-funded contracts. Your Committee further finds that a new section needs to be added to chapter 231, Hawaii Revised Statutes, and conforming amendments need to be made to section 36-27, 36-60, and 237-31, Hawaii Revised Statutes, to accomplish the purposes of this measure.

Your Committee amended this measure by making further amendments to the new section in chapter 231 by requiring that the Department, when entering into performance-based contracts implement the necessary changes to its automated systems to meet the State's obligations under the Streamlined Sales and Use Tax Agreement and the City and County of Honolulu 0.5 percent surcharge. Your Committees also finds that this measure merits further consideration and accordingly has amended this measure by inserting an effective date of July 1, 2050, to ensure ongoing discussions on the issue. Technical, nonsubstantive amendments were made to change formatting and correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2520 Health on S.B. No. 2364

The purpose of this measure is to:

- (1) Prohibit health insurers from excluding coverage for injuries sustained by insured individuals as a result of intoxication from alcohol or narcotics; and
- (2) Establish and appropriate funds for a pilot program for screening, brief intervention, referral, and treatment to address the problems of addiction.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor, the Department of Health, the Department of Human Services, the Department of Human Services Office of Youth Services, the Department of Commerce and Consumer Affairs, Mothers Against Drunk Driving, McCorriston Miller Mukai MacKinnon, LLP, Hawaii Psychiatric Medical Association, and two individuals.

Your Committee finds that under current law, insurance companies have the option to exclude coverage for injuries sustained by insured persons as a result of intoxication from alcohol or narcotics. Health care professionals are often reluctant to link substance or alcohol abuse to an injury for fear they will not be reimbursed for services rendered.

Your Committee further finds that repealing the exclusionary option for insurers and establishing a pilot program that addresses substance abuse issues at the "teachable" moment when a person enters an emergency room is an effective approach to ensure that needed health care and intervention are received.

Your Committee amended this measure to specify two pilot project sites and the criteria for each. Your Committee wants to ensure that one pilot program site shall be located at a major urban trauma center in Honolulu and the other at a neighbor island acute care hospital that has a high volume of emergency department trauma traffic, a high percentage of substance use co-morbidity in the emergency department population, and is in close proximity to medical or allied medical educational facilities at or above the community college level.

Your Committee further amended the appropriation provision of this measure by appropriating \$1,801,529, deleting reference to positions and operating expenses, and making the expending agency the John A. Burns School of Medicine.

Your Committee further amended this measure by making additional technical, nonsubstantive amendments 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. 2364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2364, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2521 Health on S.B. No. 3155

The purpose of this measure is to appropriate funds for capital improvements of the Molokai General Hospital, for release when the Office of Hawaiian Affairs provides matching funds of \$1 for every \$2 appropriated.

The Office of Hawaiian Affairs, Molokai General Hospital, and the Healthcare Association of Hawaii submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that Molokai General Hospital, a subsidiary of the Queen's Health Systems, faces the continuing challenge of generating sufficient revenue to support its capital improvements and to meet the health care needs of the population it serves. Your

Committee notes that Molokai General Hospital is the only hospital on Molokai. Molokai General provides emergency, urgent, acute, and long-term inpatient care services for Molokai's residents, many of whom are Native Hawaiian or part Hawaiian. Providing community-focused, quality health care in a rural, economically-challenged setting remains very difficult. Support from the State is vital to maintain health care services for this island community.

Your Committee further finds that the Office of Hawaiian Affairs has committed matching funds of up to up to \$500,000 per fiscal year for capital improvements and the Phase II renovation and construction project for Molokai General Hospital. Upon completion of Phase II, the building will house laboratory, pharmacy, and dietary facilities, the women's health center, administrative offices, a medical-surgical suite, and classrooms.

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. 3155 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2522 Water, Land, and Agriculture on S.B. No. 3264

The purpose of this measure is to direct the board of land and natural resources to implement the Ahihi-Kinau natural area reserve management plan.

Your Committee received testimony in support of this measure from ten individuals. Comments were received from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

The Ahihi-Kinau natural area reserve was the first designated natural area reserve in the State, designated in June 1973. The reserve contains many ancient Hawaiian archaeological and cultural sites and also contains the best remaining intact anchialine ponds in the State.

Your Committee finds that over the years very little effort has been undertaken to maintain the reserve and protect the natural resources of the reserve. Today, due to recent publicity in travel books and journals describing the natural aesthetic beauty of the reserve and its many resources, hundreds of visitors are attracted to the reserve daily. These daily visitors are trampling through the reserve, defacing ancient Hawaiian archaeological and cultural sites, and negatively impacting the anchialine ponds and the many natural resources contained in the reserve.

This measure is intended to implement the protection and preservation of the Ahili-Kinau natural area reserve, in respect for the natural beauty and cultural significance of the reserve. Your Committee is concerned that native Hawaiian gathering rights and traditional cultural practices are not affected in the process.

Your Committee also recognizes that for many years, there have been families who have cared for and nurtured the aina. For example, the Lu'uwai family, who has a traditional fishing permit to the area and ancestral links to the area for over a century, has worked diligently and endlessly to protect and preserve the aquatic resources in the area. Your Committee appreciates the efforts that the Lu'uwai family provides to the stewardship of the marine resources in the Ahihi-Kinau natural area reserve. Their stewardship should be allowed to continue.

Your Committee has amended this measure by:

- (1) Providing an exemption for the exercise of native Hawaiian gathering rights and traditional cultural practices, in the implementation requirements; and
- (2) Making technical, nonsubstantive amendments for style and clarity, and to correct a statutory cross reference.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3264, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2523 Intergovernmental Affairs on S.B. No. 2532

The purpose of this measure is to include retired law enforcement officers among the individuals who are exempt from the firearm restrictions provided in sections 134-6 through 134-9, Hawaii Revised Statutes.

Your Committee received testimony in support of the measure from the Office of the Prosecuting Attorney, County of Kauai; the Hawaii Rifle Association; and two individuals. The Department of the Attorney General and the Honolulu Police Department submitted testimony in opposition to this measure.

Your Committee finds that the federal Law Enforcement Officers Safety Act of 2004 exempts qualified active and retired law enforcement officers from local and state prohibitions on the carrying of concealed firearms while off-duty across state lines. The

Department of the Attorney General is in the process of defining the requirements for implementation as the federal law in Hawaii. These qualifications are necessary to protect the community.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting the original provisions of the measure; and
- (2) Requiring the Attorney General to:
 - (A) Determine the requirements to implement and to ensure compliance with the federal Law Enforcement Officers Safety Act of 2004; and
 - (B) Report to the Legislature on what measures have been taken to ensure implementation of and compliance with the federal Law Enforcement Officers Safety Act of 2004.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2532, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2524 (Majority) Human Services on S.B. No. 2161

The purpose of this measure is to establish a foster children's bill of rights.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Hawaiian Affairs, Hawaii Disability Rights Center, Hawaii Foster Parent Association, Hawaii Foster Youth Coalition, Hawaii Youth Services Network, the Legal Aid Society of Hawaii, Na Keiki Law Center, and sixteen current and former foster youth.

Your Committee finds that the foster care children's bill of rights does not create new rights for children in foster care; rather, it articulates and clarifies existing rights that are to be protected and enforced. This measure ensures that foster care children will be informed about their rights and responsibilities while in the State's foster custody.

Your Committee has amended this measure by:

- (1) Adding a provision requiring written notice to a child at least forty-eight hours prior to his or her removal from a foster home, unless notice is impracticable due to safety concerns;
- (2) Revising the provisions regarding continued contact with birth families following an adoption, as provided in an adoption decree;
- (3) Adding a notification requirement regarding a foster child's right to have direct contact with social workers, so the child will receive notification and contact information whenever changes in assigned social workers occur;
- (4) Clarifying that a foster child has the right to attend at least one annual review hearing and speak with the family court judge assigned to the case;
- (5) Incorporating a provision to allow a foster child in high school who is moved during the school year to stay at the same school until graduation;
- (6) Reducing the time the department has to conduct an ohana conference from six months to three months;
- (7) Inserting a provision to consider the foster child's preference when considering current foster parents as the presumptive choice for adoption, legal guardianship, or permanent custody of a child who has been in the permanent custody of the department and has been placed in a foster home for more than one year;
- (8) Adding a child's likes, dislikes, interests, hobbies, special possessions or practices, or any other unique characteristic of the child to the list of relevant medical and social history information that should be provided to the child's foster care provider; and
- (9) Requiring the Department of Human Services to provide each foster child with a copy of the bill of rights when the child is placed under foster custody, unless the child is not of sufficient age and capacity to understand the rights.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2161, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Hooser, Ihara).

SCRep. 2525 Energy, Environment, and International Affairs on S.B. No. 3161

The purpose of this measure is to allow the Public Utilities Commission (PUC) to establish standards for each utility that prescribe what portion of the renewable energy standards must be met by specific types of resources, with at least fifty percent being met by specified energy sources.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the PUC, Department of Commerce and Consumer Affairs, Rocky Mountain Institute, Hawaii Energy Policy Forum, Conservation Council for Hawaii, Hawaii Renewable Energy Alliance, and Hawaiian Electric Company, Inc. Testimony in opposition was received from Honolulu Seawater Air Conditioning LLC and Life of the Land.

Your Committee finds that it is in the State's interest to encourage the use of renewable fuels and support the development of renewable energy projects.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting all of the original provisions;
- (2) Establishing a biofuel preference;
- (3) Establishing additional objectives and policies for state facility systems with regard to energy;
- (4) Establishing a renewable hydrogen program and hydrogen investment capital special fund; and
- (5) Appropriating funds to:
 - (A) Conduct a statewide multi-fuel biofuel production assessment;
 - (B) Assist the agricultural community interested in developing renewable energy projects;
 - (C) Create three permanent full-time equivalent positions, namely, a hydrogen program manager, hydrogen program specialist, and hydrogen project specialist; and
 - (D) Fund the hydrogen investment capital special fund.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3161, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2526 Media, Arts, Science and Technology on S.B. No. 2741

The purpose of this measure is to authorize recording artist royalty recipients to audit the books and records of a royalty reporting party and to establish procedures for an action for accounting.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, and a private attorney. Your Committee received testimony in opposition to this measure from a private attorney.

Artistic labor is vital to maintaining a healthy and vibrant recording industry. Every recording artist should have the ability to conduct an audit to verify earnings and royalties reported under a recording contract. Your Committee finds that establishing a set of basic audit practices will advance and protect the interests of recording artists and the recording industry. Amending the law by adding a new section will authorize recording artists to audit the books and records of a royalty reporting party.

Your Committee has amended this measure by making changes to and adding new definitions to the new section. The definition for "contract" was amended to specify the contract as a "participation contract," and "royalty reporting party" was changed to "royalty payor." The measure was further amended by your Committee to specify the procedures that are available to a royalty recipient and provide damages for the prevailing party's costs including attorneys' fees. Your Committee appreciates the efforts of two private attorneys who worked together to assist your Committee in making the amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2741, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 2527 Media, Arts, Science and Technology on S.B. No. 2806

The purpose of this measure is to make an appropriation for media streaming of legislative proceedings over the Internet.

Testimony in support of this measure was submitted by the League of Women Voters of Hawaii, Life of the Land, and 'Olelo Community Television.

Your Committee finds that citizen involvement and input is crucial in the legislative process. In the past, the Legislature has demonstrated its commitment to the principle of public access to the legislative process by creating programs like the public access room, the legislative broadcast project, and the legislative website, which encourage education and support for citizen involvement. Thus, this measure furthers the Legislature's commitment to public access by making an appropriation for media streaming of legislative proceedings over the Internet.

Your Committee has amended this measure by:

- (1) Inserting the amount of "\$42,000" into the appropriation for a video archived and indexed stream and two audio archived and indexed streams; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2806, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 2528 Health on S.B. No. 3156

The purpose of this measure is to appropriate funds to Molokai General Hospital for operating costs.

Your Committee received testimony in support of the measure from the Department of Health, the Office of Hawaiian Affairs, the Healthcare Association of Hawaii, and Molokai General Hospital.

Your Committee finds that Molokai General Hospital generally receives most of its financial and management support as a subsidiary of Queen's Health Systems. However, as the Healthcare Association of Hawaii noted hospitals face continued high costs and decreasing reimbursements. Rural hospitals in particular are in financial straits because they do not have the volume of patients necessary to support the broad array of services needed to maintain community health. Sustaining services at Molokai General Hospital is critical to the health and safety of residents and visitors because it is the sole hospital serving the island community of Molokai.

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. 3156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2529 (Joint) Health and Human Services on S.B. No. 238

The purpose of this measure is to make an appropriation and establish a community-based disaster planning and preparedness pilot program for older individuals who lack family or service agency support.

Your Committees received testimony in support of this measure from the Volunteer Resource Center of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that the elderly are a very vulnerable population in Hawaii, especially in the event of a disaster. These individuals cannot rely solely on government support in the event of a major disaster occurs. This has been evidenced by the recent events occurring during and after Hurricane Katrina.

Your Committees find that a model program that is volunteer-and community-based will be the most effective way to ensure the safety of the elderly in the event of a major disaster and will set up an example of success for future programs.

Your Committees amended this measure by omitting the advisory group provision and including a more effective volunteer-and community-based pilot program called the disaster planning and preparedness pilot program for older individuals. It will be initiated through the Executive Office on Aging in conjunction with volunteer organizations.

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. 238, S.D. 1, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 238, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 2530 Health on S.B. No. 2508

The purpose of this measure is to exempt medical services and equipment from the general excise tax.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, the Hawaii Health Systems Corporation, and the Hawaii Coalition of Care Home Administrators. Your Committee received testimony in opposition to the measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the general excise tax is assessed for the privilege of doing business in Hawaii. This includes the business of providing necessary health care. Your Committee further finds that this tax affects the elderly and disabled disproportionately because health care is a basic necessity for these individuals and the added expense of the tax is passed to them.

Your Committee has amended this measure by changing the effective date from "July 1, 2007" to "July 1, 2010," to encourage continued discussion.

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. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2531 (Joint) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 2571

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to issue special purpose revenue bonds to assist not-for-profit private organizations in the development of low and moderate income housing.

Your Committees received testimony in support of this measure from the Land Use Research Foundation of Hawaii and UniDev LLC. Comments were received from the Department of Budget and Finance.

Your Committees find that the development of low and moderate income housing is a top priority of the Legislature. Affordable rental housing is the missing link between homelessness and having a place to live. The severity of Hawaii's housing crisis cannot be understated.

This measure would assist not-for-profit organizations in developing low and moderate income housing. Non-profits are the only entities which would be willing to undertake a not-so-lucrative financial investment. At the same time, non-profits are most attuned to helping the less fortunate and those in downright need.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2571 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (English, Ige, Sakamoto).

SCRep. 2532 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2290

The purpose of this measure is to require that businesses that experience a security breach notify affected persons of the breach and to add a new chapter to title 26 of the Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Honolulu Police Department, Hawaii Bankers Association, Consumer Data Industry Association, Hawaii Credit Union League, Retail Merchants of Hawaii, and Hawaii Medical Service Association. The American Council of Life Insurers State Farm Insurance Companies submitted testimony in opposition to this measure. State Farm Insurance Companies submitted comments.

This measure imposes requirements on businesses to protect a person's identity. However, the Department of Commerce and Consumer Affairs recognizes, and your Committees find, that the obligations imposed by this measure should also extend to government agencies in Hawaii.

Your Committees further find that this measure seeks to alleviate the growing plague of identity theft by requiring businesses that maintain records containing resident individuals' personal information to notify an individual whenever the individual's personal information has been compromised by an unauthorized disclosure. This measure will provide clear guidance to businesses as to

notification requirements and will protect Hawaii consumers by giving them valuable tools to protect themselves from financial harm once their financial information is compromised.

Your Committees have amended this measure by:

- (1) Amending the title of the chapter to "Notification of Security Breaches";
- (2) Amending the definition of "security breach" to apply to unencrypted or unredacted records or data, not unencrypted and unredacted;
- (3) Clarifying that written notice under this measure is to be sent to the last available address the person, business or government agency has on record;
- (4) Clarifying that in the event a business provides notice to more than 1,000 persons at one time pursuant to this measure, the business will notify in writing the Office of Consumer Protection and all consumer reporting agencies of this notice to affected persons;
- (5) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and
- (6) Extending the effective date of this measure to January 1, 2007.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2290, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2290, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2533 Commerce, Consumer Protection and Housing on S.B. No. 2067

The purpose of this measure is to appropriate \$1,000,000 out of general revenues for the loss mitigation grant program.

Testimony in support of this measure was submitted by the State Insurance Commissioner and The Hawaii Lumber Products Association.

Your Committee finds that this appropriation will enable the Insurance Commissioner to make loss mitigation grants authorized under chapter 431, article 22, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2534 Commerce, Consumer Protection and Housing on S.B. No. 3112

The purpose of this measure is to suspend the collection of the general excise tax on motor vehicle gasoline for two years.

Testimony in support of this measure was submitted by Oahu Transit Services, Inc. Comments on this measure were submitted by the Department of Taxation, the Western States Petroleum Association, and the Tax Foundation of Hawaii.

Your Committee finds that this measure requires further discussion and has amended the effective date of this measure to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3112, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 2535 Commerce, Consumer Protection and Housing on S.B. No. 2927

The purpose of this measure is to eliminate the burden placed on the creditor who is required to deliver duplicate receipts each time a payment is received under the garnishment process.

Testimony in support of this measure was submitted by the Collection Law Section of the Hawaii State Bar Association. No testimony in opposition was received by your Committee.

Under section 652-14, Hawaii Revised Statutes, a creditor is required to provide duplicate receipts to a garnishee when a payment is received through the garnishment process. Your Committee finds that this requirement is outdated since its original enactment in 1939 pre-dated copy machines, and as current employment and banking practices in which the payment of funds through garnishment is well-documented by the garnishee-employer or bank.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2927 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2536 (Joint) Health and Intergovernmental Affairs on S.B. No. 2404

The purpose of this measure is to appropriate funds for the reestablishment of dedicated emergency medical service personnel to staff the aeromedical helicopter unit on the island of Hawaii.

Your Committees received testimony in support of this measure from the Mayor, County of Hawaii.

Your Committees find that the aeromedical helicopter unit on the Big Island needs to be staffed with personnel trained in such specialized emergency care. Appropriating dedicated funds for this unit will maximize operational effectiveness and operational safety. However, your Committee notes that other aeromedical helicopter units do not have dedicated personnel and the cost for such units are apportioned equally between the State and the county where the service is provided.

Your Committees amended this measure by removing the appropriation amount and including a cost share provision in which the County of Hawaii would share equally in the costs of the program with the State.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2404, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2404, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2537 Health on S.B. No. 3277

The purpose of this measure is to require all practicing nurse aides, working in state licensed or state certified health care settings, to be certified.

Your Committee received testimony in support of this measure from the Department of Human Services, and the Hawaii Long-term Care Association. Your Committee received testimony from the Executive Officer for the Nurse Aide Program in the Department of Commerce and Consumer Affairs in support of the measure and offering amendments.

Your Committee finds that all nurse aides need to be appropriately certified to ensure quality health care services.

Your Committee further finds that the Department of Health, the Department of Human Services, and the Executive Officer for the Nurse Aide Program in the Department of Commerce and Consumer Affairs have been collaborating to develop an integrated approach to certify nurse aides regardless of the setting in which they practice. These departments continue to work together to monitor and ensure the continuation of high standards of quality health care.

Your Committee amended this measure by:

- (1) Clarifying the investigation, penalties, and nurse aide registry notification procedures for allegations or findings of abuse, neglect, and misappropriation of an individual's property by a certified nurse aide;
- (2) Providing that the Department of Human Services shall be responsible for approving training programs for certified nurse aides and approving the re-certification process for nurse aides; and
- (3) Providing that the Department of Commerce and Consumer Affairs shall be responsible for certification procedures, rules, and implementation of the nurse registry.

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. 3277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3277, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2538 Energy, Environment, and International Affairs on S.B. No. 3192

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

The University of Hawaii submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism submitted comments.

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

Upon further consideration, your Committee amended this measure by:

- (1) Substituting a nominee from the East-West Center as a member on the Hawaii Sister State Committee in lieu of the Chamber of Commerce of Hawaii;
- (2) Adding a nominee from a Native Hawaiian cultural organization as a member on the Hawaii Sister State Committee; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3192, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2539 Energy, Environment, and International Affairs on S.B. No. 3186

The purpose of this measure is to appropriate funds to reconvene the Hawaii Energy Policy Forum to develop an action plan, timeline, and benchmarks, and to further engage Hawaii's leaders and stakeholders in implementing the Forum's visions, concepts, and recommendations for Hawaii's preferred energy future.

The Department of Business, Economic Development and Tourism, the Hawaii Energy Policy Forum, the Rocky Mountain Institute, Hawaii Association of Realtors, The Gas Company, Honolulu Seawater Air Conditioning LLC, Hawaii Renewable Energy Alliance, the Hawaiian Electric Company, Inc., Hawaii Solar Energy Association, and PowerLight Solar Electric Systems submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

In December 2003, the Hawaii Energy Policy Forum convened a policy summit to provide a community-based forum for review of its work and recommendations. The final report of the summit, "Hawaii at the Crossroads: A Long Term Energy Strategy," sets forth recommended guiding principles and policy options to meet Hawaii's long-term energy needs.

Your Committee finds that the appropriation in this measure will enable the Hawaii Energy Policy Forum to reconvene for the purpose of developing an action plan and timeline to implement the vision, concepts, and recommendations of the summit's final report. This will provide a unique opportunity for stakeholders to continue their work and for further engagement of policy-makers, decision-makers, and consumers on issues relevant to Hawaii's preferred energy future.

Upon further consideration, your Committee amended this measure by:

- (1) Changing the expending agency to the Department of Business, Economic Development and Tourism; and
- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3186, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2540 Human Services on S.B. No. 3247

The purpose of this measure is to increase the level of care payment for adult residential care providers.

Your Committee received testimony in support of the measure from the Department of Human Services, the State Council on Developmental Disabilities, the Adult Foster Home Association of Hawaii, the Arc in Hawaii, the Hawaii Coalition of Care Home Administrators, the Hawaii Disability Rights Center, the Primary Care Providers of Hawaii, the United Group of Home Operators, and sixteen individuals.

Your Committee finds that this measure will provide adult residential care home operators with a long-overdue increase in the level of care payment while minimizing the effect of the increase on compliance with the Maintenance of Effort Agreement between the Department of Human Services and the Social Security Administration. Accordingly, the rate increase will be effective on January 1, 2007, because the Maintenance of Effort Agreement is based on the calendar year rather than the State's fiscal year. Your Committee further finds that the payment authorized for July 1, 2006 is cost-neutral to the State because it uses funds already appropriated for State Supplemental Payments, which must be expended by the end of 2006 under the Maintenance of Effort Agreement.

Your Committee further finds that this measure clarifies that residential alternative community care foster family homes are included among the adult residential care homes for which level of care payments are authorized, and enables operators of developmental disabilities apartment complexes to receive level of care payments.

Your Committee has amended this measure by:

- (1) Directing the Department of Human Services to make a payment on July 1, 2006, and thereafter as the Director determines a need, to individuals receiving State Supplemental Payments, using the unexpended portion of State funds that have been appropriated for level of care payments;
- (2) Including "developmental disabilities apartment complexes" and "community care foster family homes" in the list of adult residential care home operators authorized to receive monthly level of care payments; and
- (3) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2541 Human Services on S.B. No. 2617

The purpose of this measure is to specifically appropriate Temporary Assistance For Needy Families (TANF) funds for programs and increase the standard of assistance for TANF families.

Your Committee received testimony in support of the measure from the Department of Health, the State Department of Defense, Blueprint for Change, the National Association of Social Workers, and one individual. Your Committee received testimony in opposition to the measure from the Department of the Attorney General and an individual who is a member of the Financial Assistance Advisory Committee. The Department of Human Services, Legal Aid Society of Hawaii, and an individual who is a member of the Welfare and Employment Rights Coalition (WERC) submitted comments.

Your Committee finds that this measure will implement the recommendations of the Department of the Attorney General on the use of TANF funds and appropriating funds for specific programs.

Accordingly, your Committee has amended this measure by:

- (1) Replacing appropriations for specific programs with appropriations for unspecified programs that fall within at least one of the four purposes of the TANF program;
- (2) Substituting dollar amounts in blank appropriations;
- (3) Specifying that the Department of Human Services may transfer TANF funds to the social services block grant and the child care development block grant;
- (4) Adding an appropriation for operating costs, including personnel, systems, and administration expenses;
- (5) Noting that the TANF reauthorization within the recently-enacted federal Deficit Reduction Act of 2005 will require the State to meet heightened family work participation requirements to avoid financial penalty; and
- (6) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2617, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 2542 (Majority) Human Services on S.B. No. 2615

The purpose of this measure is to require the Department of Human Services to make a good faith effort to locate, identify, and interview extended family members for possible foster custody placement of a child and to specify the procedures used and steps taken in this regard in the dependency petition.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Foster Parent Association, Legal Aid Society of Hawaii, and one individual who is a board member of the Hawaii Foster Youth Coalition.

Your Committee finds that this measure also incorporates the provisions of S.B. No. 3218, which earlier received a public hearing. Specifically, this measure acknowledges the importance of kinship care and will ensure that the Department of Human Services makes a good faith effort to locate a child's relatives when the child is placed in the Department's foster custody. The measure specifies required actions by the Department to satisfy this directive. It also requires the Department to collaborate with the Na Kupuna Tribunal, which maintains a genealogical database of Native Hawaiian and non-Native Hawaiian residents in Hawaii, to obtain assistance in locating a child's kin.

Your Committee further finds that this measure will ensure adequate documentation of the Department's efforts to locate members of the child's extended family and underscores the necessity of having all foster care providers held to the same training and licensing standards.

Your Committee has amended this measure by:

- (1) Eliminating the time restriction for identifying and locating a child's fit and willing kin;
- (2) Directing the Department to consult the Na Kupuna Tribunal for assistance in identifying a child's kin;
- (3) Requiring that the Department continue its search for a child's kin until the permanent placement is final;
- (4) Revising the definition of "kin";
- (5) Deleting the reference to placement with risk-adopt foster parents; and
- (6) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2615, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Kokubun).

SCRep. 2543 Judiciary and Hawaiian Affairs on S.B. No. 2148

The purpose of this measure is to propose an amendment to the Hawaii Constitution to provide for the election of the Attorney General.

Testimony in support of this measure was submitted by the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that the Attorney General is the State's chief legal officer. Over forty states in the United States require that the Attorney General be elected. This measure, if approved by the voters, will make Hawaii's Attorney General, truly the "people's lawyer."

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2148, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2544 Judiciary and Hawaiian Affairs on S.B. No. 2246

The purpose of this measure is to propose a constitutional amendment to the Hawaii Constitution to provide that the legislature may define what constitutes a continuing course of conduct in sexual assault crimes and may define what constitutes unanimity required for a conviction in sexual assault crimes.

Testimony in support of this measure was submitted by the Attorney General, the Crime Victim Compensation Commission, the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Hawaii Family Forum, and the Sex Abuse Treatment Center. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that under the current law, it is difficult to prosecute those who repeatedly sexually assault young children with whom they live, because of the difficulty young children have in remembering the individual dates on which they were sexually assaulted. This measure would allow the legislature to enact a law that would permit juries to convict a person of the continuous sexual assault of a child, if each member of the jury was convinced beyond a reasonable doubt that the defendant had sexually assaulted the child the required minimum number of times, even if there were no unanimity as to the individual assaults, thus making it easier to prosecute those who repeatedly sexually assault children with whom they live.

Your Committee further finds that the legislature passed such a law in 1997, but that law was invalidated by the Hawaii Supreme Court. An amendment similar to this measure was proposed to the voters in 2004 and received "yes" votes that constituted 65.5 per cent of the votes cast, but the amendment was invalidated by the Hawaii Supreme Court on the ground that the legislature had not followed correct procedures in proposing the amendment to the voters. This measure remedies the concern that the Hawaii Supreme Court had with the previous amendment.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2545 Judiciary and Hawaiian Affairs on S.B. No. 2931

The purpose of this measure is to transfer law enforcement and security functions of the Department of Public Safety to the Department of the Attorney General, subject to the approval of a constitutional amendment to elect the Attorney General.

The Attorney General submitted comments on this measure.

Your Committee finds that since September 11, 2001, the security responsibilities of state law enforcement officers have received an increased focus and higher priority. This focus and priority can be better achieved if the law enforcement functions of the Department of Public Safety are transferred to the Department of the Attorney General.

Your Committee has amended this measure, based upon the recommendation of the Attorney General, to extend the effective date for twelve months after the chief elections officer issues a certificate of results under section 11-156, Hawaii Revised Statutes, certifying that the Hawaii Constitution has been amended to require the election of the Attorney General. Your Committee also made nonsubstantive, technical changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2931, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2546 Judiciary and Hawaiian Affairs on S.B. No. 2582

The purpose of this measure is to amend the rules of evidence on erroneous rulings so that a party does not need to renew an objection or offer proof once a court makes a definitive ruling on the record admitting or excluding evidence.

Testimony in support of this measure was submitted by the Hawaii Supreme Court Standing Committee on the Rules of Evidence and the Office of the Public Defender.

Your Committee finds that this measure codifies the Hawaii Supreme Court's holding in *Ditto v. McCurdy*, 98 Hawaii 123, 130 n.9, 44 P.3d 274, 281 n.9 (2002) and is identical to the rule 103 of the Federal Rules of Evidence.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2547 Judiciary and Hawaiian Affairs on S.B. No. 2244

The purpose of this measure is to require the deletion of digitized arrest records, rather than the return of hard copy materials, and limits expungements to applicants that have no convictions on their criminal records.

Testimony in support of this measure was submitted by the Attorney General and the Department of Human Services. Testimony in opposition to this measure was submitted by the Office of the Public Defender and two individuals.

Your Committee received testimony objecting to the inclusion of a violation of state law in the definition of a crime. Concerns were also raised that the measure would prohibit a person who has a previous conviction and who is arrested for reasons unrelated to the previous conviction from seeking to expunge his or her arrest record.

Your Committee finds that, based upon the concerns raised by those testifying in opposition to the measure, portions of the measure, regarding the requirement that a person who has a previous conviction may not have an arrest expunged and the section defining a violation as a crime, should be removed from this measure. Your Committee also amended this measure by making nonsubstantive, technical changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2244, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2548 Judiciary and Hawaiian Affairs on S.B. No. 2259

The purpose of this measure is to add “unlawful methamphetamine trafficking” to those felonies that may be initiated by information charging.

Testimony in support of this measure was submitted by the Attorney General, the Honolulu Police Department, the Office of the Prosecuting Attorney for the County of Maui, and the Sex Abuse Treatment Center. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the American Civil Liberties Union of Hawaii, and the Community Alliance on Prisons.

Your Committee finds that the measure as currently drafted incorrectly includes “unlawful methamphetamine trafficking,” a class B felony, in the section of the measure that covers class C felonies.

Your Committee has amended this measure by removing “unlawful methamphetamine trafficking,” a class B felony, from the section of the measure dealing with class C felonies and amending subsection (b) of section 806-83, Hawaii Revised Statutes, which covers class B felonies, to include “unlawful methamphetamine trafficking.” Your Committee also amended this measure to make nonsubstantive, technical changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2549 Judiciary and Hawaiian Affairs on S.B. No. 2600

The purpose of this measure is to allow court process records or documents to be created, retained, and stored electronically and converted to electronic form. This measure also allows for court documents and records to be electronically signed and sealed.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that the measure as currently drafted may be vulnerable to challenge in the courts. The provisions contained in subsection (a) of section 2 of the measure describe a “seal,” but this language does not suggest a logical connection that is germane to the title of the bill, “Electronic Court Records.” In response to this concern, the Attorney General has opined that this problem would be avoided by amending the title of section 606-3, Hawaii Revised Statutes.

Your Committee has amended this measure by amending the title of section 606-3, Hawaii Revised Statutes, as recommended by the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2600, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2550 Judiciary and Hawaiian Affairs on S.B. No. 2946

The purpose of this measure is to specify the Corrections Population Management Commission’s recommendation-making responsibility.

Testimony in support of this measure was submitted by the Department of Public Safety, A Woman’s Voice International, the Community Alliance on Prisons, and five individuals.

Your Committee finds that a Corrections Population Management Commission is a necessity for any jurisdiction that is attempting to successfully manage its correction population.

Your Committee has amended this measure to incorporate the recommendation of a faculty member of the Criminology and Criminal Justice Department at Chaminade University. This amendment requires that research activities conducted through the Commission be performed by, overseen by, or in consultation with an agreed neutral party.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2551 Commerce, Consumer Protection and Housing on S.B. No. 173

The purpose of this measure is to amend the law relating to consumer protection.

Your Committee has amended this measure by replacing its content with language that addresses the liabilities of a health club upon the sale of the health club.

Specifically, this measure provides that upon the sale of a health club, the purchaser is required to assume all the liabilities of the health club, including those arising under health club contracts entered into by the original owner of the health club.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, as amended herein, and recommends that it pass First Reading again in the form attached hereto as S.B. No. 173, S.D. 1, and be recommitted to the Committee on Commerce, Consumer Protection, and Housing, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 2552 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 2679

The purpose of this measure is to regulate the use of hazardous wastes in animal feed, fertilizers, soil amendments, agricultural minerals, and auxiliary soil and plant substances.

The Sierra Club Hawaii Chapter and Safe Food and Fertilizer (a project of Earth Island Institute) submitted testimony in support of this measure. The Department of Health and the Hawaiian Alliance for Responsible Technology & Science submitted testimony in opposition.

Your Committees find that fertilizers, soil amendments, agricultural minerals, animal feed, and auxiliary soil and plant substances may contain substances derived from hazardous materials. It is important to regulate the use of hazardous materials in these products to protect people and the environment against hazardous waste exposure. The measure is modeled after California legislation that closes a loophole in federal regulations that would otherwise permit the use of hazardous waste in certain products, such as fertilizer.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2679, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2679, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 3 (English, Fukunaga, Hanabusa).

SCRep. 2553 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 3170

The purpose of this measure is to expand the definition of "renewable energy producer" to include thermal energy that is sold to customers of district cooling systems, for purposes of leasing public lands.

Honolulu Seawater Air Conditioning LLC and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure.

Your Committees find that thermal applications of renewable energy technologies do not generate electricity, but they do provide electricity savings by displacing the electricity used to perform certain tasks. This measure will encourage the development of renewable energy projects that will help reduce the State's dependence on fossil fuels.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3170, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 3 (English, Fukunaga, Hanabusa).

SCRep. 2554 Energy, Environment, and International Affairs on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 295 MYRON H. NOMURA, for a term to expire 6-30-2010

Your Committee reviewed the personal history, resume, and the statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be reappointed to the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Your Committee received testimony in support of MYRON H. NOMURA from the Department of Health. Mr. Nomura earned a B.S. in Civil Engineering and a M.S. in Civil Environmental Engineering from the University of Hawaii. Mr. Nomura is the vice-president and consulting engineer with Engineering Concepts, Inc. He has worked in engineering for over thirty years. His prior experience includes serving as the environmental engineer and branch head of the Water and Wastewater Management Branch of the United States Naval Facilities Engineering Command, and as the division director of the Water and Waste Division of the Utilities Department of the United States Navy Public Works Center.

Mr. Nomura is seeking reappointment to and presently serves on the Board of Certification of Operating Personnel in Wastewater Treatment Plants. His other affiliations include membership in the Water Environment Federation; the Hawaii Water Environment Association, where he served as Chair of the Government Affairs Committee; and the American Water Works Association. Mr. Nomura recognizes the importance of effectively safeguarding Hawaii's water environment against pollution, and expresses a sincere interest in continuing to serve on the Board. Your Committee finds that Mr. Nomura is familiar with the goals and responsibilities of the Board and is well qualified for reappointment.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2555 Judiciary and Hawaiian Affairs on S.B. No. 627

The purpose of this measure is to improve the public's perception that public officials and employees are improperly influenced by personal or financial interests by prohibiting a state employee from taking official action directly affecting a business of certain close family members, and requiring disclosure of financial interests for specified state board members.

Testimony in support of this measure was submitted by the Hawaii State Ethics Commission and the League of Women Voters of Hawaii.

Your Committee finds that when state officers and employees are embroiled in conflict-of-interest situations, there is a public perception that their personal or financial interests are improperly influencing them. This measure seeks to avoid the perception of wrongdoing and build public confidence in state officials and government decision-making.

Your Committee noted concerns raised by the Hawaii State Ethics Commission regarding the portion of the measure that requires the Commission to publish a notice stating that the charge is unsubstantiated and that probable cause was not found. Your Committee addressed this concern by deleting the statewide notice requirements.

Your Committee has further amended this measure by making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 627, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2556 Judiciary and Hawaiian Affairs on S.B. No. 1061

The purpose of this measure is to prohibit lobbyists who lobby the legislature, the principal, client, or agent of such a lobbyist, and a political action committee on which the lobbyist sits from making a contribution to a member of the legislature, the governor, and lieutenant governor while the legislature is in session.

Testimony in support of this measure was submitted by the Hawaii State Ethics Commission, the League of Women Voters, and Life of the Land.

Your Committee finds that this measure will increase public confidence in the legislature and the state government by decreasing the appearance of "quid pro quo" arrangements between lobbyists and legislators. This will enhance public trust in government and help eliminate actual or perceived conflicts of interest.

Your Committee further finds that this measure should withstand constitutional challenges for free speech and equal protection because the limitation in this measure is only during the legislative session and is not a complete ban, but rather a proper limitation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1061 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2557 Judiciary and Hawaiian Affairs on S.B. No. 2260

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

In addition, this measure:

- (1) Adds twenty-one class C felonies to those offenses subject to repeat offender sentencing;
- (2) Provides higher maximum terms for repeat offenders and lower penalties for most misdemeanor and petty misdemeanor offenses;
- (3) Amends repeat offender statute to:
 - (a) Change the method of calculating the period of eligibility for repeat offender sentencing by adding the time a defendant spends on probation, parole, or in prison to the otherwise applicable period; and
 - (b) Enhance certain sentencing provisions; and
- (4) Adds twenty class B and class C felonies to the list of offenses for which a deferred acceptance plea (DAG or DANC) is not permitted.

Testimony in support of this measure was submitted by the Attorney General, the Prosecuting Attorney of the City and County of Honolulu, the Prosecuting Attorney of the County of Maui, the Hawaii Police Department, the Honolulu Police Department, the Criminal Investigation Division of the Honolulu Police Department, the Maui Police Department, the State of Hawaii Organization of Police Officers, the Kuli'ou'ou/Kalani Iki Neighborhood Board #2, the Hawaii Hotel and Visitor Industry Security Association, Waikiki Beach Activities, Ltd., Retail Merchants of Hawaii, the Sex Abuse Treatment Center, and two individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Community Alliance on Prisons, and four individuals.

Your Committee finds that there is strong support for a mandatory sentence of thirty years to life for habitual violent offenders. Other changes to the Hawaii Penal Code proposed in this measure were deleted because the significant changes posed have serious implications and require further review. Your Committee has recommended that a task force be established to review the changes that were deleted, which can be accomplished by resolution.

Your Committee has amended this measure to retain the portion providing for a mandatory sentence of thirty years to life imprisonment for habitual violent offenders and deleted all other proposed changes to the Hawaii Penal Code. Your Committee also inserted a savings clause and made other nonsubstantive, technical changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2260, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2558 Judiciary and Hawaiian Affairs on S.B. No. 2265

The purpose of this measure is to add electronic enticement of a minor to the group of class C felonies in the Hawaii Penal Code.

In addition, this measure:

- (1) Mandates at least one year of incarceration for defendants convicted of promoting child abuse or convicted of electronic enticement of a minor;
- (2) Eliminates the possibility of a deferred plea for those who enter a plea of not guilty or nolo contendere to the crime of promoting child abuse or electronic enticement of a minor; and
- (3) Adds a new misdemeanor to the Hawaii Penal Code for electronic enticement of a child in the third degree.

Testimony in support of this measure was submitted by the Attorney General, the Department of Human Services, the Honolulu Police Department, the Hawaii Family Forum, the Hawaii Hotel and Visitor Industry Security Association, the Sex Abuse Treatment Center, and one individual. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that in order to reflect the nature of their crimes, those defendants who prey on children, by disseminating, reproducing, or possessing child pornography, and by using computers to entice and victimize children should always be sentenced to serve at least one year of incarceration and should not be entitled to a deferred acceptance of their plea. This measure will provide a means to ensure the safety of Hawaii's children, enhance enforcement efforts, and impose significant penalties for those who prey on the most vulnerable members of our community.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2265, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2559 Judiciary and Hawaiian Affairs on S.B. No. 2489

The purpose of this measure is to amend the Hawaii Penal Code to add unlawful methamphetamine trafficking and manufacturing of a controlled substance with a child present to the offenses that are subject to forfeiture.

Testimony in support of the measure was submitted by the Attorney General.

Your Committee finds that this measure clarifies that the offense of unlawful methamphetamine trafficking and manufacturing of a controlled substance with a child present were originally intended to be a part of the penal code's section on forfeiture.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2560 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 2503

The purpose of this measure is to prohibit the sale and distribution of flavored cigarette products.

Testimony in support of this measure was submitted by the Attorney General, the Department of Health, the American Cancer Society, the American Heart Association, the American Lung Association, and the Coalition for a Tobacco Free Hawaii.

Your Committee finds that there is concern about smoking by Hawaii's children. Flavored cigarettes are particularly attractive to children because the flavor names are similar to flavor names for products such as drinks, candies, and other products marketed to children. The use of similar flavor names may entice children to try cigarettes that have flavors with which they are familiar. Flavored cigarettes encourage children to begin using tobacco products, starting them down the path to tobacco use at an early age and setting the stage for serious health problems.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2503, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 2561 Judiciary and Hawaiian Affairs on S.B. No. 2506

The purpose of this measure is to abolish the Reproductive Rights Protection (RRP) Committee and provide for a list of advisors to assist the family court as needed on sterilization issues.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, the Judiciary, the Disability and Communication Access Board, and Planned Parenthood of Hawaii.

Your Committee finds that the RRP Committee has not met in the past eight years and that the RRP Committee no longer serves its purposes. Your Committee finds that it is appropriate to abolish the RRP Committee and meet the original intent of the RRP Committee by maintaining a resource list to assist the family court as needed on sterilization issues.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2506 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2562 Judiciary and Hawaiian Affairs on S.B. No. 2558

The purpose of this measure is to amend the Hawaii rules of evidence to make inadmissible evidence of written or oral apologies and benevolent gestures for purposes of proving fault.

This measure also ensures that a statement of fault shall continue to be admissible.

Testimony in support of this measure was submitted by the Department of the Attorney General and Kaiser Permanente. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii. The Hawaii Supreme Court Standing Committee on the Rules of Evidence had no objection.

Your Committee finds that making an apology or expression of sympathy to an individual who has been harmed or wronged is a natural human reaction to a bad situation. However, your Committee further finds that, in this litigious day and age, many are unable to freely express these feelings for fear that their expressions of sympathy or empathy will be construed to constitute admissions of guilt or liability. Your Committee believes that individuals should be encouraged to openly share civil and humane feelings with each other and not be discouraged from or punished for reaching out to others after difficult or tragic events. Your Committee is mindful of the concerns regarding the term apology, as its use may imply an acknowledgement of fault and has addressed the issue accordingly.

Your Committee has amended this measure by:

- (1) Deleting the language that establishes the new rule that makes apologies and benevolent gestures inadmissible;
- (2) Inserting new language that:
 - (A) Makes expressions of sympathy, commiseration, or condolence regarding the consequences of an event to which the declarant participated inadmissible to prove liability; and
 - (B) Allows an apology or other statement acknowledging fault to be admissible.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2558, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2563 Judiciary and Hawaiian Affairs on S.B. No. 2576

The purpose of this measure is to create the offense of aggravated cruelty to animals and provide penalties.

Your Committee received testimony in support of the measure from the City and County of Honolulu Prosecuting Attorney, the Kauai Humane Society, the Maui Humane Society, the Hawaiian Humane Society, Cat-Care, and twenty-three individuals. The Office of the Public Defender submitted testimony in opposition to this measure. The Hawaii Pest Control Association submitted comments.

Your Committee finds that violence against animals cannot be tolerated in our community. This new class C felony involves serious misconduct that is either intentional and knowing, recklessly done with the intent to frighten or intimidate, or a repeat offense. It also provides that, as part of the sentence for cruelty offenses, the defendant be ordered to pay for and successfully complete counseling. Testimony was submitted to your Committee from the Hawaiian Humane Society outlining the link between cruelty to animals and domestic violence. By creating a class C offense for those who are intentionally or knowingly cruel to animals, the legislature hopes to make Hawaii a safer and more secure place for both animals and humans alike.

Your Committee has amended this measure to:

- (1) Limit the offense of aggravated cruelty to pet animals, which are defined as a dog, cat, rabbit (so long as not for consumption), a domestic rat or mouse, or a caged bird. Caged birds refer to:
 - (a) Passeriformes, which are perching birds characterized by a beak with no silk, tarsi covered with small scales and feet having three toes in front as opposed to one well-developed toe behind;
 - (b) Piciformes, which are barbet, woodpeckers, and honeyguides; and

- (c) Psittaciformes, which are cockatiels, cockatoos, keas, lories, lovebirds and macaws; and
- (2) Remove any reference to cockfighting or section 711-1109(1)(c);
- (3) Incorporate the amendments recommended by the City and County of Honolulu Prosecutor relating to the types of offenses that constitute a repeat offense; and
- (4) Makes technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2564 Judiciary and Hawaiian Affairs on S.B. No. 2603

The purpose of this measure is to provide district court judges with the discretion to impose a term of imprisonment for first time offenders of motor vehicle insurance laws.

Testimony in support of this measure was submitted by the Judiciary, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and an individual. The Office of the Public Defender and an individual submitted testimony in opposition to this measure.

Your Committee finds that there is a need to deter persons from driving without motor vehicle insurance. However, there is a concern regarding criminalizing a first time traffic violation.

Your Committee has amended this measure to incorporate an amendment agreed to by the Judiciary and the Office of the Public Defender to specify that the violation of not having a valid motor insurance policy is not a "traffic infraction" as defined in chapter 291D. This will allow district court judges to consider a first offense for the purpose of finding multiple convictions. Your Committee further amended this measure to delete the provision that would have allowed a court to impose a term of imprisonment of not more than forty-eight hours for a first offense.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hee).

SCRep. 2565 Judiciary and Hawaiian Affairs on S.B. No. 2922

The purpose of this measure is to clarify that if a corporation or company uses funds from its own treasury to fund the corporation's or company's own noncandidate committee, there is no limit on contributions or expenditures to the corporation's or company's noncandidate committee.

This measure also reestablishes an expenditure ceiling for a candidate for the Office of the Prosecuting Attorney who voluntarily participates in the publicly funded campaign program.

Testimony in support of this measure was submitted by the Hawaii Transportation Association and GEICO. Testimony in opposition to this measure was submitted by the League of Women Voters of Hawaii and one individual. Comments on the measure were submitted by the Campaign Spending Commission and the Attorney General.

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

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendment to section 11-204(b), Hawaii Revised Statutes, that reinserted language to allow a corporation or company to use funds from its own treasury to contribute unlimited amounts to the corporation or company noncandidate committee;

- (2) Creating a new section to clarify that persons other than individuals, including a corporation, partnership, association, or organization can make campaign contributions and expenditures from their own funds through a noncandidate committee subject to the aggregate limits applicable to individuals; and
- (3) Changing the effective date of the Act to make the new section regarding non-individual contributions or expenditures effective retroactively to January 1, 2006 to avoid confusion under Act 203, SLH 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2566 Judiciary and Hawaiian Affairs on S.B. No. 3279

The purpose of this measure is to make benevolent gestures regarding medical error inadmissible as evidence of an admission of liability in medical malpractice claims.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Hawaii Medical Association, the Healthcare Association of Hawaii, Kaiser Permanente, the Hawaii Health Systems Corporation, the Hawaii Association of Health Plans, and the Consumer Lawyers of Hawaii. The Department of Commerce and Consumer Affairs and the Judiciary submitted comments.

Your Committee finds that it is important to have open lines of communication between a doctor and patient. A doctor or other medical care worker should be able to show expressions of benevolence towards a patient without fear of civil liability. This leads to better doctor-patient relationships and reduces the number of medical malpractice suits.

Your Committee has amended this measure to make a technical, nonsubstantive change, which clarifies that a statement of fault that is part of or in addition to an expression of sympathy or benevolence shall be admissible as evidence of an admission of liability.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3279, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3279, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2567 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 3262

The purpose of this measure is to protect public health and welfare by prohibiting smoking in public places and places of employment, ensuring a consistent level of basic protections statewide from exposure to secondhand smoke.

Testimony in support of this measure was submitted by the Department of Accounting and General Services; the American Cancer Society; the American Heart Association; the American Lung Association of Hawaii; the Coalition for a Tobacco Free Hawai'i; the Hawaii Association of Health Plans; the Hawaii Medical Service Association; the Hawai'i Primary Care Association; the Hawaii State AFL-CIO; the Hawai'i Women's Coalition; Healthy Mothers, Healthy Babies Coalition of Hawai'i; Kaiser Permanente; Kalihi-Palama Health Center; Kiwanis of Kauai; Laborers' International Union of North America Local 368, AFL-CIO; Maui Tobacco-Free Partnership; REAL Hawaii Youth Movement Against the Tobacco Industry; Tobacco Education and Assistance Program; Tobacco Free Kauai; and thirty-nine individuals. Comments were submitted by the Department of Health and the Department of Public Safety.

Your Committee finds that exposure to secondhand smoke is a health hazard and causes heart disease, cancer, SIDS, asthma, and other diseases. Thus, it is extremely appropriate to protect innocent non-smokers from these effects by prohibiting smoking in the work place and public places. Your Committee further finds that this measure will reflect the most current public health policy relating to secondhand smoke and create a new statewide smoking law to ensure consistent levels of basic public health protection.

Your Committee has amended this measure by making a technical, nonsubstantive change to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3262, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3262, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 2568 Judiciary and Hawaiian Affairs on S.B. No. 2581

The purpose of this measure is to require the judiciary to adopt procedures to reduce the backlog of unserved arrest warrants.

Specifically this measure seeks to reduce the backlog by:

- (1) Establishing an amnesty program by which persons charged with an offense for which fines, but no imprisonment, are authorized and for whom an arrest warrant was issued may surrender without being arrested or having to post bail; and
- (2) Authorizing the service of warrants by retired police and public safety officers.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the County of Maui, the Office of the Public Defender, and Mothers Against Drunk Driving. Testimony in opposition to this measure was submitted by the Judiciary, the Attorney General, the City and County of Honolulu Prosecuting Attorney, and the Honolulu Police Department.

Your Committee finds that the backlog of unserved warrants is an issue that must be immediately addressed to ensure that the problem is not further exacerbated. However, your Committee further finds that the extent of the problem must first be ascertained to determine the best method for appropriately addressing the problem. Although your Committee received testimony indicating that there is a significant backlog of unserved warrants, no party, including the Judiciary, was able to provide a true accounting of the number of unserved traffic and felony warrants currently in existence. Your Committee is concerned that an accurate picture of the extent and nature of the problem first be realized before crafting possible solutions. Additionally, your Committee is concerned that the measure's title is not broad enough to encompass the subject of providing amnesty to individuals who are the subject of unserved warrants. As a result, your Committee recommends that a resolution be introduced to establish a task force to further study the number and nature of the backlog of unserved warrants, conduct research on alternative solutions from other jurisdictions on addressing the problem, and make recommendations to the Legislature regarding resolution.

Your Committee further finds that many of these warrants are unserved due to a lack of sufficient personnel to provide service. This measure will provide the necessary authority to empower additional personnel to help to ameliorate the current service problem.

Accordingly, your Committee amended this measure to:

- (1) Delete the amnesty program in section 1 of the measure because the subject does not suggest a logical connection that is germane to the title of "relating to the backlog of unserved warrants"; and
- (2) Delete the reporting requirement since the portion pertaining to the Judiciary has been removed from this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2581, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2569 Judiciary and Hawaiian Affairs on S.B. No. 2941

The purpose of this measure is to create a class C felony criminal property damage offense for setting brush fires and to permit the court to assess a defendant for the cost of fighting such a fire. This measure also subjects a parent or guardian of a minor to liability for the cost of damage caused by a fire set by a minor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the Police Department of the City and County of Honolulu, and the Nature Conservancy. Comments in opposition to this measure were received from the Office of the Public Defender.

Your Committee finds that the DNLNR has spent well over \$300,000 to suppress wildfires which has included overtime, heavy equipment and helicopter rentals, repair and maintenance of fire equipment, and replacement of personal protective gear. However, monetary damages pale in comparison to the loss of value of the watershed, and the destruction of native species and natural habitats resulting from these wildfires.

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

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

Your Committee notes a concern that a person who recklessly sets a fire on the person's own land that spreads to the land of another and causes damage of 10,000 square feet or more would be subject to a class C felony. In light of the impact this provision may have in rural settings, your Committee may be amenable to subjecting a reckless person to a misdemeanor rather than a class C felony. Nevertheless, the Committee, at this juncture, decided to maintain the class C felony for criminal property damage caused by fire whether set intentionally, knowingly, or recklessly.

Your Committee has amended this measure by:

- (1) Addressing the concern raised by the Office of the Public Defender that some degree of property damage should be shown before felony liability may be imposed by requiring a fire to result in physical damage to 10,000 or more square feet of property before liability accrues;

- (2) Including the amendments proposed by the DLNR to include federal fire fighting agencies in the exceptions to the new offense and including the Department of Health and county fire departments as entities that can authorize prescribed or controlled burns;
- (3) Incorporating the proposal from the Nature Conservancy that a community service component be included in the bill for anyone convicted of this new offense;
- (4) Ensuring that the parents or legal guardians of a minor assume monetary liability only for that portion of damage caused by the minor;
- (5) Adding a new section stating that conviction under this new offense does not preclude a separate criminal or civil action by the State or a third party against the defendant; and
- (6) Including a reference covering minors adjudicated under this new offense as recommended by the Department of the Attorney General to encompass juveniles processed through family court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2570 Judiciary and Hawaiian Affairs on S.B. No. 2073

The purpose of this measure is to extend the power of federal officers to make arrests under state law, which is currently limited to officers of the United States Customs Service and the Immigration and Naturalization Service, to all federal law enforcement officers, which includes agents of the Federal Bureau of Investigation; the Drug Enforcement Administration; the Bureau of Alcohol, Tobacco, Firearms, and Explosives; the United States Secret Service; the United States Marshals Service; and the Department of Homeland Security's Citizen and Immigration Service and Customs and Border Protection.

Testimony in support of this measure was submitted by the Attorney General.

Your Committee finds that it is appropriate to extend the power to make arrest under state law to all federal agents and this measure will provide additional protections for citizens of the State and our many visitors.

Your Committee amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2073, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2571 Judiciary and Hawaiian Affairs on S.B. No. 2263

The purpose of this measure is to amend the state firearms, ammunition, and dangerous weapons law to comply with provisions of federal law.

Your Committee received testimony in support of this measure from the Attorney General and the Office of the Prosecuting Attorney for the County of Kauai.

Your Committee finds that this measure, a housekeeping measure which is part of the Attorney General's 2006 legislative package, will amend certain sections of Hawaii's current laws on firearms to comply with federal firearm laws. According to the testimony of the Attorney General, all of the county chiefs of police support this measure, and believe that this measure will have no detrimental impact on their departments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2572 Judiciary and Hawaiian Affairs on S.B. No. 2667

The purpose of this measure is to clarify fireworks terminology to be consistent with federal law and to repeal and amend various definitions.

Testimony in support of this measure was submitted by the State Fire Council, the Kauai Fire Department, the County of Hawaii, and Legislative Information Services of Hawaii.

Your Committee finds, based upon testimony from the State Fire Council and Legislative Information Services of Hawaii that the term "consumer fireworks" was inadvertently removed from the current draft of this measure. Your Committee has amended this measure to reinsert the term "consumer fireworks".

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2573 Judiciary and Hawaiian Affairs on S.B. No. 2909

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

Your Committee received testimony in support of this measure from the County of Hawaii and the Sierra Club. The Land Use Research Foundation of Hawaii submitted testimony in opposition.

Your Committee finds that the automatic permit approval law was passed in an effort to improve Hawaii's business climate. However, there may be instances where automatic permit approval may have negative consequences for the public and the environment. This measure gives the county discretion whether to require automatic permit approval or not.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2574 Judiciary and Hawaiian Affairs on S.B. No. 2358

The purpose of this measure is to establish general administrative penalties for violations of chapter 183, Hawaii Revised Statutes, and to include fines for timber trespass.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Sierra Club Hawaii Chapter, the Hawaii Forest Industry Association, and the Nature Conservancy.

Your Committee finds that this measure will enhance deterrence of illegal timber harvesting in Hawaii by bringing penalty levels in line with the potential commercial value of the trees and with existing penalties for illegal harvesting in commercial areas, and by improving the administrative mechanism to pursue violators.

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

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

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2575 Judiciary and Hawaiian Affairs on S.B. No. 2421

The purpose of this measure is to prohibit claims to kuleana lands based on adverse possession.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and four individuals.

Your Committee finds that complex historical events have put kuleana lands at risk of inappropriate claims based on adverse possession. This measure will prohibit the use of adverse possession for any quiet title claim on kuleana lands.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2421, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2576 Judiciary and Hawaiian Affairs on S.B. No. 2850

The purpose of this measure is to increase the mandatory minimum fines for littering violations, including littering from a motor vehicle, littering in public, and criminal littering.

Testimony in support of this measure was submitted by the Windward Ahupua'a Alliance and an individual. The Office of the Public Defender submitted testimony in opposition to the measure.

Your Committee finds that littering is a problem in our State. The current minimum fines for littering are not sufficient to deter people from littering. An increase in the minimum fine from \$25 for littering from a motor vehicle, littering in public, and criminal littering will encourage people to keep Hawaii clean.

Your Committee has amended this bill by:

- (1) Changing the minimum for littering from a motor vehicle and littering in public to \$250; and
- (2) Changing the maximum for littering from a motor vehicle and littering in public to \$500.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2850, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2577 Judiciary and Hawaiian Affairs on S.B. No. 2158

The purpose of this measure is to require that the first five digits of an individual's social security number contained in family court records or judgments affecting title to land be redacted prior to the records' release for public inspection.

Testimony in support of this measure was submitted by the Honolulu Police Department and the Hawaii Bankers Association. Testimony in opposition to this measure was submitted by the Judiciary and the Consumer Data Industry Association. Comments were submitted by the Department of Land and Natural Resources and the Department of Commerce and Consumer Affairs.

Your Committee finds that continued discussion should occur on the issue of protecting persons' identities and ensuring that the government is complying with open records laws. Further discussion on the logistical issues of redacting existing records will also be necessary.

Your Committee amended this measure to insert a defective effective date of July 1, 2050 for the purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2158, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2158, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2578 Judiciary and Hawaiian Affairs on S.B. No. 2343

The purpose of this measure is to authorize criminal background checks for persons providing care or having access to the elderly and the disabled.

Testimony in support of this measure was submitted by the Department of Health, the State Council on Developmental Disabilities, the Hawaii Coalition of Care Home Administrators, the Healthcare Association of Hawaii, the Kokua Council, and the Policy Advisory Board for Elder Affairs.

Your Committee finds that elderly and disabled persons are especially vulnerable classes of our society and persons who provide care or have access to these groups of persons should undergo background checks. Your Committee had some concern about the possibility of liability against the State by persons subject to criminal background checks and has amended the measure to address this issue.

Specifically, your Committee amended this measure to:

- (1) Conform the definitions of "relevant crime" with the definition of "conviction for relevant crime";
- (2) Remove any requirement that the Federal Bureau of Investigation provide background checks to the Department of Human Services or the Department of Health;
- (3) Insert a requirement that applicants subject to a criminal history check sign a waiver form saying that the Department of Human Services and the Department of Health shall not be liable to the applicant in order to protect the State from liability; and
- (4) Make technical, nonsubstantive changes.

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

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2579 Judiciary and Hawaiian Affairs on S.B. No. 2930

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

Testimony in support of this measure was submitted by the Hawaiian Humane Society, the Kauai Humane Society, the Maui Humane Society, and twenty-nine individuals. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that this measure clarifies who will be financially responsible for the expenses incurred for the feeding, housing, and care of abused animals that have been rescued. These animals are often left in the custody of law enforcement agencies while the court resolves the criminal case against the abuser. This often takes months or even years to be resolved at the law enforcement agency's expense. This measure clearly states that the abuser will be responsible for the costs.

Your Committee further notes that the need for legislation such as this measure was exemplified by the \$269,000 bill the Hawaiian Humane Society incurred for the care of sixty-nine dogs that were rescued from a breeder in Kahaluu. Although the defendant plead guilty to fifty-five counts of animal cruelty, the court did not order restitution as part of the sentence and the defendant was not required to reimburse the Humane Society for the care of his animals.

Your Committee has amended this measure to:

- (1) Include defendants who plead guilty or nolo contendere to be required to surrender or forfeit their animals;
- (2) Delete reference to the humane society and instead insert a reference to a law enforcement agency, which includes humane societies; and
- (3) Delete the provision subjecting the forfeiture of equipment and animals to the requirements of chapter 712A.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2930, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2580 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 2687

The purpose of this measure is to repeal the petty misdemeanor offense of criminal trespass onto public parks and recreational grounds.

Testimony in support of this measure was submitted by the Office of the Public Defender; the American Civil Liberties Union of Hawaii; the Institute for Human Services, Inc.; the Interfaith Alliance Hawaii; Partners in Care; and four individuals. Testimony in opposition to this measure was submitted by the Kuli'ou'ou/Kalani Iki Neighborhood Board #2 and the Honolulu Police Department. The Department of Land and Natural Resources submitted comments on the measure.

In 2004, the Legislature enacted Act 50, Session Laws of Hawaii 2004, to deter squatting on public parks and recreational grounds. However, this law implicated important social issues that generated debate within the community as to its effectiveness in addressing the issue of squatting. Subsequently in 2005, the Legislature established the petty misdemeanor offense of criminal trespass onto public parks and recreational grounds and repealed the amendments made to the offense of criminal trespass in the second degree by Act 50.

Your Committee finds that the new petty misdemeanor offense of criminal trespass onto public parks and recreational grounds may still have some problems as to its effectiveness in addressing the issue of squatting. Given that, your Committee finds it appropriate to repeal section 708-814.5, Hawaii Revised Statutes, which prohibits criminal trespass onto public parks and recreational grounds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2687 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 2581 Judiciary and Hawaiian Affairs on S.B. No. 2424

The purpose of this measure is to remove the requirement for a comprehensive master plan for the Office of Hawaiian Affairs and replace it with the Office of Hawaiian Affairs strategic plan.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that, based upon the Office of Hawaiian Affairs testimony, this measure is not intended to alter the Office of Hawaiian Affairs responsibilities to its beneficiaries.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2424 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2582 Judiciary and Hawaiian Affairs on S.B. No. 2006

The purpose of this measure is to prohibit the sale of all Hawaiian species of edible opihi.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, a councilmember from Maui county, and one individual.

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

Your Committee notes that concerns about the measure's impact on the residents of Niihau require further consideration. Your Committee has amended this measure to insert a defective effective date of July 1, 2050, to allow for continued discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2006, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2006, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2583 Judiciary and Hawaiian Affairs on S.B. No. 2134

The purpose of this measure is to add abuse orders of protection issued against the person as information that must be disclosed by a Hawaii resident as part of the resident's marital history information in dealing with international matchmaking organizations.

Testimony in support of this measure was submitted by Na Loio Immigrants Rights and Public Interest Legal Center, the Domestic Violence Clearinghouse and Legal Hotline, and one individual.

Your Committee finds that immigrant women who are recruited by international matchmaking organizations for the purpose of providing dating, matrimonial, or social referral services to Hawaii residents are very vulnerable to becoming victims of domestic violence. This measure requires that a Hawaii resident who engages the services of an international matchmaking organization disclose the number of domestic abuse orders the resident has against them.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2134, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2584 Judiciary and Hawaiian Affairs on S.B. No. 2357

The purpose of this measure is to remove the sunset date on the use of safe harbor agreements, habitat conservation plans, and incidental take licenses as recovery options for conserving and protecting the State's endangered species.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of Land and Natural Resources, the University of Hawaii, the Hawaii Forest Industry Association, and the Land Use Research Foundation of Hawaii.

Your Committee finds that in 1997, the Legislature approved expanded recovery options for the preparation and implementation of habitat conservation plans and safe harbor agreements. These options provided additional incentives to private landowners to conserve endangered species. In 2001, the Legislature extended this program for an additional five years, making its new sunset date July 1, 2007.

Today, these provisions have been implemented and utilized in projects like the construction of the Ewa North-South Road and the Kapolei Parkway. For this project a regional safe harbor agreement, a habitat conservation plan, and an incidental take license were approved for the relocation and conservation of endangered species affected by the construction. Your Committee finds that these habitat conservation plans and safe harbor agreements are important for the protection of the State's endangered species and should be permanently implemented. Accordingly, this measure removes the sunset date of July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2585 Judiciary and Hawaiian Affairs on S.B. No. 2412

The purpose of this measure is to provide permanent liability protection for county lifeguard services and for public entities that post warning signs at public parks and beaches.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Attorney General, one councilmember from the County of Kauai, the County of Hawaii, four councilmembers from the County of Maui, the City and County of Honolulu, the Honolulu Emergency Services Department, the Hawaii State Association of Counties, and the Hawaiian Life Guard Association. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that providing lifeguard services and adequate warning signs at certain parks and beaches are necessary to increase public safety and reduce ocean-related accidents. When proper warning signs are provided, the State and counties should be afforded some protection from liability. With regard to lifeguard services, your Committee finds that extending the sunset date, rather than repealing it, will allow the State and counties to continue to collect adequate data and information to determine the impact and effectiveness of this law.

Your Committee has amended this measure by changing the sunset date of Act 170, Session Laws of Hawaii, 2002, which provides an exception to liability for county lifeguard services, to July 1, 2008.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2412, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2412, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2586 Judiciary and Hawaiian Affairs on S.B. No. 2423

The purpose of this measure is to eliminate the requirement that the Department of Land and Natural Resources (DLNR) approve the Office of Hawaiian Affairs (OHA) land management plan for the management of kuleana lands before the lands can escheat to OHA. This measure also makes OHA a party to all actions to quiet title kuleana lands in which escheat is an issue, regardless of when the escheat is alleged to have occurred.

Testimony in support of this measure was submitted by OHA, DLNR, and one individual.

Your Committee finds that current law requires that the title of any kuleana land that escheats to OHA first pass to DLNR and be held in trust until OHA submits to DLNR, and DLNR approves, a land management plan. This measure removes the involvement of the DLNR from the process and clarifies the scope of OHA's escheat rights to kuleana lands. This measure also contains language that would ensure that OHA is a party to all actions to quiet title to kuleana land in which escheat is an issue.

Your Committee has amended this measure to make nonsubstantive, technical changes for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2423, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2587 Judiciary and Hawaiian Affairs on S.B. No. 2492

The purpose of this measure is to add the crime of criminal property damage to agricultural and aquacultural equipment and supplies.

Testimony in support of this measure was submitted by the Department of Agriculture, the City and County of Honolulu Prosecuting Attorney, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, the Maui County Farm Bureau, Meadow Gold Dairies, the Pineapple Growers Association of Hawaii, the Hawaii Crop Improvement Association, and the Hawaii Farm Bureau. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that increasing the penalty for criminal property damage offenses is consistent with the great impact these crimes have on Hawaii's agricultural and aquacultural industries and the ability of individual farmers and ranchers to earn a living. This measure will strengthen the penalties for criminal property damage by recognizing the actual loss of agricultural and aquacultural property.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2492, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2588 Judiciary and Hawaiian Affairs on S.B. No. 3273

The purpose of this measure is to allow certified substance abuse counselors to provide assessments under the Department of Education's zero tolerance policy.

Your Committee received testimony in support of this measure from Hina Mauka, the Hawaii Substance Abuse Coalition, and one individual. Comments in support of the intent of this measure were received from the Hawaii Medical Service Association (HMSA). Comments supporting a change involving a screening tool to determine any further need for substance abuse assessment were received from the Department of Education.

Your Committee finds that the measure should be further amended using HMSA's suggested changes to allow facilities that provide substance abuse services to be reimbursed for assessments performed in schools by the Certified Substance Abuse Counselors they employ.

Your Committee has amended this measure by incorporating the changes submitted by HMSA, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3273, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2589 Ways and Means on S.B. No. 2063

The purpose of this measure is to authorize the issuance of general obligation bonds and determine whether the issuance of the bonds will cause the State's debt limit to be exceeded.

Your Committee finds that:

- (1) The measure will finance project appropriations contained in acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Issuance of the bonds authorized will not cause the State's constitutional debt limit to be exceeded.

As affirmed by the record of votes of the members 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. 2063 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kanno, Sakamoto).

SCRep. 2590 Ways and Means on S.B. No. 2379

The purpose of this measure is to require employers to file a quarterly informational return for state income tax withholding purposes.

The bill also clarifies the time schedule for remitting withheld taxes.

Your Committee finds that employers are required to file returns for the payment of state income taxes withheld from employees and to file returns for reconciliation purposes. Your Committee also finds that the Department of Taxation has reported that the lack of clarity in income tax withholding laws has resulted in enforcement problems with delinquent employers.

This bill clarifies the income tax withholding law to allow the Department of Taxation to enforce applicable provisions and also alleviates much of the administrative burden of filing returns by requiring all employers to submit quarterly returns, rather than on a more frequent basis.

As affirmed by the record of votes of the members 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. 2379 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kanno, Sakamoto).

SCRep. 2591 Ways and Means on S.B. No. 2381

The purpose of this measure is to facilitate the department of taxation's ability to issue assessments for the filing of false or fraudulent tax returns.

Your Committee finds that state law requires a court determination that a taxpayer filed a false or fraudulent return before the department may issue assessments for the violation. If, however, a defendant taxpayer enters a guilty plea to a false or fraudulent return violation, no assessment may be issued by the department because the court determination was unnecessary, and therefore, not made.

This measure remedies this problem by removing provisions requiring a court determination before an assessment may be issued for the filing of a false or fraudulent tax return. The bill also conforms state tax law to the federal law regarding the filing of false or fraudulent tax returns.

Your Committee has amended the measure by removing references to "exceptions" in sections 2 and 3 of the bill, since the text of the law that relates to the exceptions were removed, and by correctly renumbering the bill's section numbers.

As affirmed by the record of votes of the members 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. 2381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2381, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Inouye, Kanno, Sakamoto, Trimble).

SCRep. 2592 Judiciary and Hawaiian Affairs on S.B. No. 2924

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

Testimony in support of this measure was submitted by the Hawaiian Humane Society, the Kauai Humane Society, the Maui Humane Society, the Humane Society of the United States, and twenty-three individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

Your Committee finds that this measure is modeled after section 167.347 of the Oregon Revised Statutes (ORS). The Oregon courts have upheld the constitutionality of the Oregon version of this measure. Specifically, in *State of Oregon v. Branstetter*, 45 P.3d 137 (Or. App. 2002), the Court of Appeals, on remand from the Oregon Supreme Court, upheld the trial court's forfeiture of the animals involved in the case. In *Branstetter*, the defendant appealed the forfeiture of his animals after he refused to post a bond under section 167.347 ORS. *Id.* at 138-39. On appeal, the defendant argued that the statute denied him constitutional due process and the right to a remedy. *Id.* at 138. The court "reject[ed] defendant's due process and remedies clause arguments." *Id.* at 139.

Justice Armstrong's concurring opinion in *Branstetter* stated that the obvious practical problem in impounding animals under animal cruelty laws is that someone needs to pay for the food, water, and care that the animals receive while impounded. *Id.* at 140. The defendant's arguments on appeal "misunderstand the nature of this procedure. He treats forfeiture as a punitive measure rather than as a method of ensuring payment for the care of his animals during the pendency of the criminal case." *Id.* at 140. The concurring opinion went on to note that "[i]t is irrelevant to forfeiture under ORS 167.347 whether the owner is innocent or guilty of the criminal charge [of animal cruelty], because the purpose of the forfeiture is to pay for the care of the animals, not to punish the owner." *Id.* The concurrence further pointed out that "although a forfeiture proceeding under ORS 167.347 takes place in the criminal action, it does not arise from that action, is entirely separate from it, and necessarily, is not governed by the rules that apply to criminal prosecutions." *Id.* The concurrence also stated that "[w]hat ORS 167.347 does is to provide a way to implement the legal principle that, despite the impoundment, the obligation to provide adequate care for the animals remains the owner's." *Id.*

Based upon the Oregon court's discussion of Oregon's forfeiture statute, your Committee believes that this measure will withstand constitutional challenge.

Your Committee has amended this measure to insert a savings clause and to add a provision that allows the defendant to demonstrate to the court that proper alternative care has been arranged in order to avoid forfeiture of the animal to a humane society.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2924, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2593 Judiciary and Hawaiian Affairs on S.B. No. 2188

The purpose of this measure is to remove the Director of the Office of Children and Youth as a member of the Commission on Fatherhood and to add the Director of Public Safety, or designee, as a member of the Commission on Fatherhood.

Your Committee received testimony in support of this measure from the Department of Human Services.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2594 Judiciary and Hawaiian Affairs on S.B. No. 2443

The purpose of this measure is to establish a joint legislative task force to determine the visitation rights, if any, of grandparents and hanai individuals with the children they have informally raised while the children's biological parents were unwilling or unable to do so.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs.

It has been reported that there are approximately fourteen thousand grandparents and hanai individuals who are raising children because the child's biological parents are unable to raise the child due to circumstances such as incarceration, substance abuse, divorce, death, or deployment. Many grandparents and hanai individuals raise these children informally, without intervention by the family court or the department of human service's child protective services.

Your Committee finds that when the child is subsequently returned to a biological parent, the child's parent often prevents the grandparents and hanai individuals from visiting the child. Grandparents and hanai individuals have no legal mechanism to permit them to visit the minor child that they raised when the child's biological parents were unable or unwilling to do so.

The task force would examine the issues related to grandparents and hanai individuals informally raising children in Hawaii and make recommendations to the legislature regarding what visitation rights these individuals should have, if any, after the children are reunited with their biological parents.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2443, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2595 Judiciary and Hawaiian Affairs on S.B. No. 3191

The purpose of this measure is to prohibit the taking by eminent domain and subsequent transferring of private property to a private entity that had expressed an interest in purchasing the property for development or commercial purposes or any other private use.

Your Committee received testimony in support of this measure from the Honolulu Department of Planning and Permitting, the Hawaii Association of Realtors, the Small Landowners of Oahu & Small Landowners Association of Hawaii, the Hawaii Farm Bureau, and one individual. Testimony in opposition was received from the County of Hawaii. Comments were received from the University of Hawaii Environmental Center.

This measure amends the condemnation law to prohibit taking and transferring property to another private entity that had previously expressed an interest in purchasing the property for development or commercial purposes or any other private use.

Your Committee finds that in the wake of a recent United States Supreme Court decision in *Kelo v. New London*, 125 S.Ct. 2655 (2005), there has been a growing concern that the need for urban renewal or economic development may be cited as justification for allowing the government to condemn private property for the benefit of another private entity but not clearly for a public use. This measure narrows the scope of that taking to address concerns that public use should not include commercial development or any other private purpose, except for public utilities, irrigation systems, affordable housing and community development, and development tracts, all of which have a significant connection to public use.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3191, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2596 Judiciary and Hawaiian Affairs on S.B. No. 2688

The purpose of this measure is to require implementation of policies and procedures, protocols, and a quality assurance program to ensure adequate youth correctional facility staff training.

This measure also provides for comprehensive assessments of all persons committed to youth correctional facilities and revises the duties and responsibilities of regional advisory boards.

The Hawaii Youth Services Network, the Hawaii Juvenile Justice Project, and one individual submitted testimony in support of this measure. The Department of Human Services' Office of Youth Services submitted comments.

Your Committee finds that deficiencies exist in the Hawaii Youth Correctional Facility's policies and procedures for dealing with the needs of youth in the facility. As noted by the Hawaii Youth Services Network, improved staff training is among the essential changes needed to ensure that youth in the facility receive an appropriate assessment of their needs. This measure requires the development and implementation of a quality assurance program to identify procedures to ensure compliance with mandatory staff training, effectiveness of the training, and provision of services in an efficient and effective manner.

The measure states specific areas that shall be included in the written standards of conduct and operation that will benefit both the youth and the staff. The measure requires the development and implementation of a program to assess youth needs on an individual basis and provides for the creation of individualized treatment plans. The measure also expands the duties and responsibilities of the regional advisory boards.

Your Committee amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2688, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2688, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2597 Judiciary and Hawaiian Affairs on S.B. No. 3254

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

Testimony in support of this measure was submitted by the Department of Human Services (DHS), Catholic Charities Hawaii, and the Adult Foster Home Association of Hawaii.

Your Committee finds that Act 273, SLH 2001, established two-year demonstration projects within the DHS for the licensing and certification of home and community-based services. The goals of Act 273 were to assist the DHS in fulfilling its duties as a regulatory body, to ensure the quality of service and competency of home and community-based case management agencies, and to protect the health and welfare of individuals placed in certified community care foster family homes. The projects were scheduled to be repealed on July 1, 2003; however, the projects have been extended twice, pursuant to Act 98, SLH 2003, until July 1, 2004, and pursuant to Act 153, SLH 2004, until July 1, 2006.

Your Committee determines that the continued licensing and certification of home and community-based care management agencies and community care family foster homes will provide a valuable and cost-effective alternative to institutionalization. This alternative will also help to ease escalating Medicaid expenditures for long-term care services. Accordingly, your Committee determines that this measure is necessary to protect the safety and welfare of care recipients by ensuring the continued provision of quality services and care at reasonable costs.

Your Committee has amended this measure by making a technical, nonsubstantive change for purposes of clarity.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, (Ihara, Whalen).

SCRep. 2598 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2462

The purpose of this measure is to direct the County of Maui to limit access on the Makena-Keoneoio Government Road through the Ahihi-Kinau Natural Area Reserve.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

The Ahihi-Kinau Natural Area Reserve contains numerous ancient Hawaiian archaeological and cultural sites; fragile anchialine ponds, containing endangered endemic aquatic species; and isolated coves, small bays, and coral reefs, containing numerous species of marine fauna, including fish, crustaceans, corals, and aquatic vegetation. The Makena-Keoneoio Government Road, which runs through the reserve, allows uncontrolled public access to the reserve. Your Committees find that this uncontrolled influx of visitors is having an enormous negative impact on the reserve and its resources. Thus, this measure directs the County of Maui to limit the public access on the portion of the Makena-Keoneoio Government Road where it runs through the reserve.

Your Committees noted that the Department of Land and Natural Resources opposed this measure because the department is in the process of developing a comprehensive community-developed management plan for the Ahihi-Kinau Natural Area Reserve. As a part of the plan, the department is addressing the uncontrolled public access to the reserve. However, your Committees find that time is of the essence, as resources in this area are negatively impacted each day that there is no action.

Your Committees have amended this measure by inserting the effective date of July 1, 2050 to facilitate further discussion on this issue.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2462, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2462, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Fukunaga, Hemmings).

SCRep. 2599 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 3076

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

Testimony in opposition to this measure was submitted by the Department of Agriculture and Animal Rights Hawai'i. Comments were also submitted by the Department of Land and Natural Resources, and one individual.

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

Your Committees have amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3076, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3076, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hemmings).

SCRep. 2600 (Joint/Majority) Judiciary and Hawaiian Affairs and Intergovernmental Affairs on S.B. No. 3180

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

Your Committees received testimony in support of this measure from the Honolulu Department of Planning and Permitting, the Office of Hawaiian Affairs, a Maui Councilmember, Kauahikaua & Chun/Architects, and the Haleakala Waldorf School.

Your Committees find that traditional Hawaiian architecture is becoming a rare occurrence in its native home. Much knowledge is being lost as kupuna familiar with the techniques and protocols pass away, without the opportunity to pass on their knowledge and abilities by example. Your Committees further find that the Hawaiian culture is alive, and should not be relegated to reference books.

Your Committees believe that the traditional architecture of Hawaii's original people is of great historic, artistic, and functional merit. It enriches the cultural landscape and experience of residents and visitors alike, and preserves and allows for the perpetuation of the Native Hawaiian culture.

Your Committees are concerned about a potential problem in permitting the location of the indigenous Hawaiian architecture in all zoning districts, as it may not be congruent with the architecture in special districts such as Chinatown and Haleiwa.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3180, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 2 (Baker, Whalen).

SCRep. 2601 Judiciary and Hawaiian Affairs on S.B. No. 2289

The purpose of this measure is to protect Hawaii consumers who are victims of identity theft by allowing them to place a security freeze on their credit reports.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; the Department of the Prosecuting Attorney, City and County of Honolulu; the Honolulu Police Department; Retail Merchants of Hawaii; and a private individual. The Consumer Data Industry Association submitted comments.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force. In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

Your Committee finds that this measure is designed to address one form of identity theft that occurs when a person steals a consumer's identity and opens up new lines of credit in that consumer's name. Your Committee further finds that this measure will permit Hawaii citizens whose identities have been stolen to "freeze" the release of their credit history by consumer reporting agencies until matters are resolved to the citizen's satisfaction.

Your Committee has amended this measure by:

- (1) Correcting a drafting error by taking new language regarding insurance from the section relating to persons not required to place a security freeze and placing it in its correct section relating to a security freeze by a consumer reporting agency;
- (2) Adding a monetary damages penalty in addition to the provision that allows for a cause of action based upon unfair or deceptive acts or practices declared unlawful under section 480-2, Hawaii Revised Statutes;
- (3) Adding a purpose section to the new chapter relating to consumer reporting agencies, and deleting the original purpose section in the measure;
- (4) Adopting the request made by the Consumer Data Industry Association by clarifying that a security freeze shall apply only to a period of time, and not to a specific party or parties; and
- (5) Making technical, nonsubstantive changes to correctly reflect the format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2289, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2602 Judiciary and Hawaiian Affairs on S.B. No. 2292

The purpose of this measure is to require businesses that maintain or possess personal information of Hawaii residents to protect against unauthorized access to or use of the information after its disposal by properly destroying the personal information.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Honolulu Police Department, Retail Merchants of Hawaii, and the Hawaii Bankers Association. Testimony in opposition of this measure was submitted from the Property Casualty Insurers Association of America. The American Council of Life Insurers submitted comments.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force. In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

Business records are a leading source of personal information for identity thieves. Any entity that maintains personal information as part of its business operations should establish security procedures to maintain the confidentiality and integrity of that information.

Your Committee finds that this measure requires businesses that collect personal identifying information to take reasonable measures to protect this information from unauthorized access by properly discarding and destroying the information. This measure originally imposed requirements only on businesses, but the Department of Commerce and Consumer Affairs recognizes and your Committee finds that the obligations imposed by this measure should also extend to government agencies in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting the exclusion of government agencies from the definition of “business”;
- (2) Adding a definition for “government agency” to the definitions section;
- (3) Adding “government agency” throughout the measure to clarify that the provisions also include and apply to government agencies;
- (4) Adopting the suggestion made by the Hawaii Bankers Association and deleting the unnecessary language referring to federal law for financial institutions;
- (5) Deleting “person” and adding “business” in the penalty section to clarify that the cause of action will be against a business and not a person;
- (6) Adding a monetary damages penalty in addition to the provision that allows for a cause of action based upon unfair or deceptive acts or practices declared unlawful under section 480-2, Hawaii Revised Statutes;
- (7) Adding language that exempts government agencies from both penalty provisions; and
- (8) Making technical, nonsubstantive changes to correctly reflect the format and style of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2292, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2292, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2603 Judiciary and Hawaiian Affairs on S.B. No. 2938

The purpose of this measure is to require the entity proposing to situate a halfway house, clean and sober home, or drug rehabilitation home in a community to provide written notice to the affected neighborhood boards and community associations, and the legislators that represent the district where the facility is to be located, for purposes of holding an required public informational meeting in the process of obtaining county permits.

Your Committee received testimony in support of this measure from the Mililani Town Association and the Kuli'ou'ou/Kalani Iki Neighborhood Board #2. Testimony in opposition was received from Oxford House Inc., Hina Mauka, and the Hawaii Substance Abuse Coalition. Comments were received from the Honolulu Department of Planning and Permitting.

Your Committee finds that in an effort to keep abreast of activities in the community for the purpose of reducing criminal activity and illicit drug use, residents obtain information through their neighborhood security watches and communications systems. This measure is another avenue to keep the community informed of activities in the community. Further, keeping residents informed ensures that they have an opportunity to engage the entity proposing one of these homes in dialogue to better understand the scope of the facility and to clear up their concerns.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2938, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2604 Judiciary and Hawaiian Affairs on S.B. No. 2133

The purpose of this measure is to allow a placenta to be released by a hospital, upon negative findings of infection or hazard, to the woman from which it originated.

Testimony in support of this measure was submitted by `Ahahui Siwila Hawai'i O Kapolei; Healthy Mothers, Healthy Babies Coalition of Hawai'i; the Honolulu County Committee on the Status of Women; Kaiser Permanente Hawaii; the Native Hawaiian Legal Corporation; Hawaii Women's Coalition; the Waikiki Hawaiian Civic Club; and six individuals. Comments were also submitted by the Department of Health.

Your Committee finds that Native Hawaiian traditions and customary practices are essential to sustaining the Hawaiian culture, and need protection. An important cultural practice is for the family to bury the placenta or `iwe after a child is born. This Hawaiian custom dates back to pre-contact Hawaii culture. Your Committee also notes that in addition to na kanaka maoli, other cultures, including Chinese, Filipino, and Japanese, all practice some form of burying the placenta to protect the child and ensure its future health.

Your Committee further finds that it is imperative that hospitals and other health care facilities allow families of newborns who want to continue this tradition by releasing the placenta to the mother.

Your Committee noted suggestions from the Department of Health to create a new section within Chapter 321, Hawaii Revised Statutes, which enables a hospital to safely release a human placenta to the mother or her designee after the mother is appropriately tested. After careful consideration, your Committee has adopted the Department of Health's recommendations and amended this measure accordingly to more appropriately reference human placenta rather than infectious waste.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2133, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2133, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 2605 Judiciary and Hawaiian Affairs on S.B. No. 2161

The purpose of this measure is to establish a foster children's bill of rights.

Testimony in support of this measure was submitted by the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Disability Rights Center, Legal Aid Society of Hawaii, the Hawaii Foster Youth Coalition, and twenty-nine individuals.

Your Committee finds that this measure ensures that foster children's rights are protected and enforced and informs foster children of their rights while in the State's custody.

Your Committee has amended this measure to:

- (1) Incorporate an amendment proposed by the Office of Hawaiian Affairs recognizing the right of foster children to culturally appropriate care and placement of foster children of Hawaiian ancestry with foster parents of Hawaiian ancestry; and
- (2) Incorporate the following amendments from the Hawaii Foster Youth Coalition to:
 - (a) Insert language inadvertently excluded when this measure was merged with S.B. 2221 to provide that children be treated with respect, be free from unreasonable searches, be free to make and receive confidential phone calls, and be allowed to work and develop job skills an age-appropriate level;
 - (b) Add language allowing the foster child to exercise parental and decision-making authority over his or her own child and for reasonable accommodations for his or her child; and
 - (c) Add language allowing the foster child to contact the Department of Human Services confidentially and free from harassment and retaliation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2161, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2161, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2606 Judiciary and Hawaiian Affairs on S.B. No. 2328

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

The Department of Human Services and Hawaii Foster Parent Association submitted testimony in support of this measure.

Your Committee finds that it is in a child's interest to give the child's foster parent an opportunity to attend the child protective hearings, subsequent to the disposition hearing, and to provide information to the court.

Your Committee amended this measure to take into account the recommendations of the Hawaii Foster Parent Association to:

- (1) Acknowledge respect for the child's interest in confidentiality;
- (2) Delete reference to "parents" when used in conjunction with "parties" as parents are already parties in protective hearings;

- (3) Expand the notice requirement from forty-eight hours to seven calendar days, unless a hearing is set in a shorter time frame; and
- (4) Allow notice via facsimile or electronic mail where receipt can be confirmed.

Your Committee also amended this measure to make technical, non-substantive changes.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2607 Judiciary and Hawaiian Affairs on S.B. No. 3016

The purpose of this measure is to allow civil actions under chapter 104, Hawaii Revised Statutes, for injunctive and other relief to be instituted by a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978.

Your Committee received testimony in support of this measure from the Hawaii Carpenters Union, the International Brotherhood of Electrical Workers Local 1186, and the International Brotherhood of Electrical Workers Local 1260. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Chapter of Associated Builders and Contractors, Inc., and Boss Communication Technologies.

Under the current law, laborers or mechanics may bring suit to recover wages or overtime compensation under chapter 104, HRS. Your Committee finds that the law fails to contemplate the situation in which an aggrieved individual is essentially prevented from seeking redress due to a lack of information and resources, a fear of retaliation, or an inability to obtain injunctive relief against an employer who is continuously in violation of the law.

Your Committee further finds that in other jurisdictions labor organizations have been successful in assisting aggrieved laborers in exposing and enjoining from further violative behavior, contractors who are continuously violating the law. Your Committee believes that the extension of the right to bring suit for injunctive and other relief against an employer in violation of chapter 104, Hawaii Revised Statutes, will provide an additional remedy as well as an additional safeguard within the system to ensure that prevailing wages laws are followed and enforced. Furthermore, the limitation of the extension of this right to joint labor-management committees, as established by the federal Labor Management Cooperation Act of 1978, will also ensure that suits are brought only by cooperative committees comprised of an equal number of representatives from laborers and management.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3016, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2608 Judiciary and Hawaiian Affairs on S.B. No. 3021

The purpose of this measure is to prohibit an employer or labor organization from discharging, withholding pay from, demoting, or otherwise disciplining an employee with a serious health condition who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or valid employment policy.

This measure also:

- (1) Establishes procedures for an aggrieved employee to file a complaint against an employer in violation of the law;
- (2) Provides for penalties for an employer in violation of the law; and
- (3) Provides an aggrieved party the opportunity for judicial review of an order of the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from the ILWU Local 142, the Hawaii State AFL-CIO, the IBEW Local 1186, the IBEW Local 1357, the Hawaii State Teachers Association, and the United Public Workers. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, the Chamber of Commerce of Hawaii, the Society for Human Resource Management – Hawaii Chapter, ALTRES, Inc., Staffing Solutions of Hawaii, Retail Merchants of Hawaii, Meadow Gold Dairies, Hawaiian Telcom, Kauai Chamber of Commerce, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited.

Your Committee finds that although many employers offer their employees sick leave benefits, the ability of the employees to legitimately make use of their sick leave benefits may be hampered by employees feeling threatened if they take their sick leave which subjects them to discipline under an attendance policy. Current employment policies seem to unfairly penalize an employee who

exercises the right to use accrued and available sick leave when the employee is ill or injured. The result of this type of policy can be that an employee is unjustly punished or otherwise prevented from further advancement.

Your Committee believes that an employee who abuses sick leave benefits and an employee who appropriately utilizes sick leave benefits, including by providing proof of illness or injury from a physician, should not be treated in the same manner.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3021, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2609 Judiciary and Hawaiian Affairs on S.B. No. 3033

The purpose of this measure is to require a successor employer or entity of a covered establishment to retain one hundred percent of the incumbent, nonsupervisory, and nonconfidential employees in the event of divestiture.

This measure also:

- (1) Establishes procedures for the retention of incumbent employees;
- (2) Provides for the retention of less than one hundred percent of incumbent employees when the new business is substantially dissimilar from the former business;
- (3) Establishes penalties for the failure of a successor employer or entity to comply with the retention requirements of the law; and
- (4) Requires an employer of a covered establishment to provide the employees and the director of labor and industrial relations written notification of divestiture at least sixty days prior to divestiture.

Your Committee received testimony in support of this measure by the Hawaii State AFL-CIO, the IBEW Local 1260, the Hawaii State Teachers Association, United Public Workers, the ILWU Local 142, and four individuals. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, the Society for Human Resources Management – Hawaii Chapter, the Hawaii Hotel & Lodging Association, the Kauai Chamber of Commerce, and LWD, Inc.

Your Committee finds that the retention of incumbent workers is healthy for the State's economy because it provides stable employment for Hawaii workers and efficient, uninterrupted service to consumers.

Over the past several years, the state of the economy has resulted in the closure or transfer of ownership of many businesses in Hawaii. This phenomenon has displaced workers throughout the State, forcing many to rely on state services for their survival and welfare. Your Committee further finds that these displaced workers are often dedicated employees who have served in their positions for extended periods of time. These employees are the backbone of the operations and their displacement upon the transfer of business ownership is burdensome and often unnecessary, particularly when no change in the type of business conducted occurs. On the other hand, when the type of business conducted changes with the new ownership, the retention of all incumbent employees is not always necessary or prudent, although a reasonable number of incumbent employees should still be retained.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3033, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3033, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2610 Judiciary and Hawaiian Affairs on S.B. No. 2479

The purpose of this measure is to propose an amendment to Article VII, Section 12 of the Hawaii State Constitution to authorize special purpose bonds to assist agricultural business on important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the University of Hawaii, the Hawaii Agriculture Research Center, the Land Use Research Foundation of Hawaii, the Pineapple Growers Association of Hawaii, Meadow Gold Dairies, the Hawaii Farm Bureau, and the Hawaii Crop Improvement Association.

Your Committee finds that encouraging agricultural development will provide positive environmental, social, and economic benefits to the State. This measure makes an amendment to Article VII, Section 12 of the Hawaii State Constitution to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural businesses operating on important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2479 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2611 Judiciary and Hawaiian Affairs on S.B. No. 2079

The purpose of this measure is to create a motor vehicle violation that prohibits leaving a child unsupervised in a motor vehicle, and to require the examiner of drivers to test driver's license applicants for their knowledge of this violation.

Testimony in support of this measure was submitted by the Department of Human Services, the City and County of Honolulu Prosecuting Attorney, Hawaii Family Forum, and the Hawaii Catholic Conference.

Your Committee finds that given the recent number of incidents where parents left their children unattended in a vehicle and the vehicle was stolen, this measure is necessary to underscore the hazard of, and deter parents and other responsible adults from, leaving young children alone in vehicles.

Your Committee amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2079, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2079, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2612 Judiciary and Hawaiian Affairs on S.B. No. 2166

The purpose of this measure is to allow a minor to consent to the provision of medical care and services under certain circumstances.

Your Committee received testimony in support of this measure from Hale Kipa, the Hawaii Family Forum, the Hawaii Catholic Conference, the Hawaii Primary Care Association, the Hawaii Youth Services Network, Kaiser Permanente, the Waikiki Health Center, Planned Parenthood of Hawaii, the Queen's Medical Center, the Children's Rights Council, and two individuals.

Your Committee finds that minors who are living on their own without parental support or guidance may have difficulty in obtaining general medical care without the consent of a parent or guardian. This measure will allow a minor to consent to the provision of medical care and services if a licensed physician determines that the minor understands the nature and consequences of the proposed medical care and services and if the medical care and services are for the minor's benefit.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2166, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2166, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2613 Judiciary and Hawaiian Affairs on S.B. No. 2327

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

Testimony in support of this measure was submitted by the Department of Human Services. The Department of Education provided comments.

Your Committee finds that to ensure the timely reporting of child abuse and neglect, staff members of public or private schools, agencies, or institutions should be required to report suspicions of abuse and neglect directly to the Department of Human Services. The current practice, of having these staff members report only to a person-in-charge or designated delegate, leads to delay of an investigation of these suspicions, during which the child may be subjected to further abuse.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

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

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2614 Judiciary and Hawaiian Affairs on S.B. No. 3200

The purpose of this measure is to provide immunity from prosecution for leaving an unharmed newborn at a hospital, fire station, or police station within seventy-two hours of its birth; to provide immunity for personnel receiving a newborn; and to require medical history from a person relinquishing a newborn.

The Hawaii Catholic Conference and the Hawaii Family Forum submitted testimony in support of this measure. The Department of Human Services submitted testimony in opposition. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments.

Your Committee finds that this measure is intended to prevent domestic violence and may save the life of a newborn by creating "safe havens" or designated places where a person may safely leave an unharmed newborn within seventy-two hours of its birth without fear of criminal repercussions or other reprisal. This measure is in accord with the federal Promoting Safe and Stable Families Act, which provides federal funding for the establishment and expansion of similar programs nationwide.

Your Committee amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3200, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3200, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2615 Judiciary and Hawaiian Affairs on S.B. No. 3219

The purpose of this measure is to direct the Department of Health and the Department of Human Services to maintain an inventory of all facilities licensed or certified under their jurisdiction and the vacancies therein to facilitate the placement of individuals in community-based facilities.

Your Committee finds that there is not a complete inventory of all the community-based facilities under the jurisdiction of the Department of Health and the Department of Human Services and this can make the processes of locating a vacancy difficult and time consuming.

Your Committee has amended this measure to incorporate the amendments proposed by the Department of Health to:

- (1) Include language that that requires all community-based providers to report vacancies to the departments on a regular basis; and
- (2) Delete adult foster homes from this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3219, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3219, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2616 Judiciary and Hawaiian Affairs on S.B. No. 2213

The purpose of this measure is to make effective a minor's waiver of liability for injuries resulting from the use of motorsports facilities, and to create a qualified immunity for public entities and public employees for any such injuries.

Your Committee received testimony in opposition to this measure from the Consumer Lawyers of Hawaii.

Your Committee finds that, based upon the concerns raised by Hawaii Consumers Lawyers, the language of this measure as written may be overly broad, and that its effective date should be extended to ensure it is given proper consideration.

Your Committee has amended this measure by extending its effective date to July 1, 2050.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2617 Judiciary and Hawaiian Affairs on S.B. No. 2385

The purpose of this measure is to increase the penalties for motorists who violate Hawaii's crosswalk law.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Transportation, and the Honolulu Police Department. Testimony in opposition was received from the Public Defender.

Act 73, Session Laws of Hawaii 2005, amended the crosswalk law to clarify when a motorist has a duty to come to a complete stop for a pedestrian in a crosswalk. However, according to a November 13, 2005 article in the *Honolulu Advertiser*, despite a highly publicized new law to protect pedestrians, the number of people killed in crosswalks has increased forty-three percent this year and the State could have its highest number of pedestrian traffic deaths in five years.

According to testimony of the DOT, pedestrian fatalities continue to be a problem in Hawaii. From 1999 to 2004, there were a total of 171 pedestrian fatalities statewide. At the time of these accidents, 37 fatalities or 21.6 percent of the total number of pedestrian fatalities occurred in crosswalks. In the 2005 calendar year, 36 fatalities or 25.5 percent of the total traffic fatalities were pedestrians. Thirteen of the 36 fatalities or 36.1 percent were within crosswalks at the time of the accident.

Your Committee finds that the crosswalk law needs to be strengthened by enhanced penalties as a deterrent and punishment to drivers who do not stop for pedestrians. This measure provides penalties as follows:

- (1) For a first conviction, a fine of not less than \$150 and revocation of license and privilege to operate a vehicle for a period not less than ninety days;
- (2) For a second conviction, a fine of not less than \$300 and revocation of license and privilege to operate a vehicle for a period not less than one-hundred and eighty days; and
- (3) For a third or subsequent conviction, committed within one year of the date of the second offense, a fine of not less than \$1000, revocation of license and privilege to operate a vehicle for a period of one year, and thirty days imprisonment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2618 Transportation and Government Operations on S.B. No. 2050

The purpose of this measure is to clarify the definition of "neighborhood electric vehicle" regarding the number of passengers and gross vehicle weight.

This measure would:

- (1) Delete the reference to four or fewer passengers;
- (2) Clarify the requirement relating to number of wheels; and
- (2) Replace the reference to unladen weight of less than 1,800 pounds with a reference to a gross vehicle weight rating of less than 2,500 pounds.

Your Committee received testimony in support of this measure from the Honolulu Department of Customer Services.

The term "neighborhood electric vehicle," which is a vehicle designed to be operated at not more than twenty-five miles per hour, is used in section 286-41(b), Hawaii Revised Statutes, in connection with a special requirement for registration of those vehicles. A display of operational restrictions in clear view of the driver must be permanently attached to or printed on the vehicles.

Your Committee finds that this measure is necessary to conform the terminology to federal regulations of the National Highway Traffic Administration.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2050 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2619 Transportation and Government Operations on S.B. No. 2456

The purpose of this measure is to provide an option on certain motor vehicles to turn off the audible reverse warning system for noise control purposes between the hours of 10:00 p.m. and 6:00 a.m., if the vehicle when reversing is guided by a person other than the driver.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, Waikiki Neighborhood Board No. 9, Hawaii Transportation Association, and one individual.

State law requires certain large vehicles to be equipped with an audible reverse warning system to warn pedestrians and others that the vehicle is about to reverse. These vehicles frequently operate late at night or near hospitals or hotels, and the loud noise emitted from the beepers is disruptive, irritating, and aggravating.

Your Committee finds that the problem of noise is particularly acute in the Waikiki area, with its many high rise condominiums. Residents constantly complain about noise from delivery trucks making late night deliveries to hotels. This problem is complicated by the population density of the area.

Your Committee has amended this measure on the recommendation of the Department of Transportation to delete reference to rulemaking to implement this measure. The department testified that it lacked sufficient information on the subject, even after extensive research, to make rules.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2456, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2620 Transportation and Government Operations on S.B. No. 2486

The purpose of this measure is to fortify and enhance the work of the temporary Invasive Species Council by:

- (1) Repealing the sunset date for the Invasive Species Council and placing it within Department of Land and Natural Resources for administrative purposes only; and
- (2) Increasing the number of council members to include eight members of the legislature to serve ex officio and in an advisory capacity.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Agriculture, the Hawaii Farm Bureau, the Conservation Council for Hawaii, and The Nature Conservancy.

Act 85, Session Laws of Hawaii 2003, established the Invasive Species Council for the special purpose of providing policy level decisions, coordination, and planning among state departments, federal agencies, and international and local initiatives for the control and eradication of harmful invasive species infestation throughout Hawaii, and for preventing the introduction of other invasive species that may be potentially harmful. Act 85 recognized a need to involve all the agencies, at the cabinet level, that have responsibility to control invasive species on the ground, as well as regulate or promote the pathways in which invasive species can gain access into the State.

Your Committee finds that the silent invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. Invasive species already cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, and the spread of disease.

Hawaii's evolutionary isolation from the continents and its modern role as the commercial hub of the Pacific make these islands particularly vulnerable to destruction by invasive species. The present problem is severe. The future, though, may be even more dire. Slow, piecemeal action will not be sufficient. Drastic improvements must be made now to stem the tide of invasive species.

The Invasive Species Council's special purpose is to augment coordinated approaches that support local initiatives for the prevention and control of invasive species, such as the coordinating group on alien pest species and the island invasive species committees. The Invasive Species Council has initiated the development of a coordinated invasive species policy.

Your Committee further finds that the Invasive Species Council is a very important agent in preventing, controlling, and eradicating invasive species in Hawaii, and the areas that are most affected by the invasive species are on the Neighbor Islands.

The addition of legislative members to the Invasive Species Council, in an advisory, nonvoting capacity, is a natural extension of the intent, purpose, and mission of the council to become a fully representative body that obtains information and advice from all knowledgeable government entities.

Your Committee has amended this measure on the recommendation of the Department of Land and Natural Resources, as follows:

- (1) Clarifying that the legislative members are nonvoting;
- (2) Specifying that a simple majority of voting members constitutes a quorum to do business; and
- (3) Clarifying that a simple majority of voting members is required to take action.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2486, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2486, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2621 Transportation and Government Operations on S.B. No. 2487

The purpose of this measure is to increase the number of members on the Hawaii Community Development Authority from eleven to thirteen.

This measure would require the Governor to appoint two additional nominees: one from a list of nominees provided by the Senate President, and one from a list of nominees provided by the Speaker of the House of Representatives.

Your Committee received testimony in support of this measure from U. Okada & Co., Ltd. and four individuals. Your Committee notes that there was no testimony submitted by the Hawaii Community Development Authority, but a representative was available at the hearing to answer questions.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2622 Judiciary and Hawaiian Affairs on S.B. No. 2162

The purpose of this measure is to allow foster children to apply for a driver's license with the written consent of the Department of Human Services.

In addition, this measure requires that the child's biological parents pay for vehicle insurance, and provides free insurance if the child's biological parents cannot pay. This measure also allows higher education board allowances to be paid directly to former foster children.

Testimony in support of this measure was submitted by Legal Aid Society of Hawaii, the Hawaii Youth Services Network, the Hawaii Foster Youth Coalition, and twelve individuals. Comments were submitted by the Department of Human Services and the Hawaii Insurers Council.

Your Committee finds that this measure will assist foster children in making the transition to independence by giving them the opportunity to obtain a driver's license; an opportunity they may not otherwise have because their biological parents are unavailable. This measure also removes the financial burden of providing vehicle insurance for the foster child from the foster parents by making the biological parents responsible, unless a court determines that the biological parents are unable to pay. In that case, the Department of Human Services will be responsible for providing coverage.

Your Committee also notes the concern of the Hawaii Insurers Council that the bill has a technical flaw in that it seeks to provide insurance to the minor under foster care; however, section 431:10C-104 requires insurance coverage be purchased for the vehicle, not the driver.

Your Committee amended this measure to insert a defective effective date of July 1, 2050 to allow for continued discussion.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2623 Judiciary and Hawaiian Affairs on S.B. No. 2215

The purpose of this measure is to increase sanctions for driving with a high blood alcohol level.

Testimony in support of this measure was submitted by the Department of Health, the Department of Transportation, the Honolulu Police Department, and Mothers Against Drunk Driving Hawaii (MADD). The Office of the Public Defender submitted testimony in opposition to this measure. The Judiciary offered comments on this measure.

Your Committee finds that drivers who have a high blood alcohol content continue to pose an increased risk to Hawaii's public. Based upon the testimony of the Department of Transportation, a person with a high blood alcohol level of 0.15 per cent or higher is

three hundred eighty times more likely to be involved in a fatal crash than a non-drinker. This measure will enhance the punishment for drivers with blood alcohol levels of 0.15 per cent or higher.

Your Committee also notes that it is amenable to the amendments proposed by MADD and that MADD's amendments have prior concurrence from the subject matter committee, the Committee on Transportation and Government Operations.

Your Committee amended this measure, based upon the recommendations of the Judiciary and with the concurrence of MADD, to change the effective date to January 1, 2007 to allow sufficient time to implement this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2215, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2215, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2624 Judiciary and Hawaiian Affairs on S.B. No. 2290

The purpose of this measure is to add a new chapter to title 26, Hawaii Revised Statutes, which will require businesses and government agencies that experience a security breach to notify the affected individuals of the breach.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Honolulu Police Department, the Hawaii Bankers Association, Retail Merchants of Hawaii, and the Consumer Data Industry Association. Testimony in opposition of this measure was received from the American Council of Life Insurers and the Property Casualty Insurers Association of America. The Hawaii Medical Service Association submitted comments.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force. In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

Your Committee finds that this measure seeks to ameliorate the growing plague of identity theft by requiring businesses that maintain records containing an individual's personal information to notify that individual when an unauthorized disclosure occurs. This measure originally imposed requirements only on businesses, but the Department of Commerce and Consumer Affairs recognizes and your Committee finds that the obligations imposed by this measure should also be extended to government agencies in Hawaii. Your Committee further finds that this measure will provide guidance to businesses and government agencies as to the notification requirements and will provide valuable tools that Hawaii residents can use to protect themselves from financial harm if their financial or personal information is compromised.

Your Committee has amended this measure by:

- (1) Deleting the exclusion of government agencies from the definition of "business";
- (2) Adding definitions for "government agency" and "redacted" to the definitions section;
- (3) Adding "government agency" throughout the measure to clarify that the provisions also include and apply to government agencies;
- (4) Adding language from the Hawaii Bankers Association that will allow financial institutions abiding by federal law to be in compliance with the new chapter;
- (5) Adding language from the Hawaii Medical Service Association that will allow health plans and healthcare providers that are subject to and in compliance with the standards of the Health Insurance Portability and Accountability Act of 1996 to be in compliance with the new chapter;
- (6) Deleting "person" and adding "business" in the penalty section to clarify that the cause of action will be against a business and not a person;
- (7) Adding a monetary damages penalty in addition to the provision that allows for a cause of action based upon unfair or deceptive acts or practices declared unlawful under section 480-2, Hawaii Revised Statutes;
- (8) Adding language that exempts government agencies from both penalty provisions; and
- (9) Making technical, nonsubstantive changes to correctly reflect the format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2290, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2290, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2625 Judiciary and Hawaiian Affairs on S.B. No. 2430

The purpose of this measure is to direct the Judiciary to notify the county clerk of a felony conviction at the actual time the felon is sentenced.

Testimony in support of this measure was submitted by the Office of Elections, the Office of the City Clerk of the City and County of Honolulu, the Office of the County Clerk for the County of Maui, the Elections Division of the Office of the County Clerk for the County of Kauai, and the Association of Clerks and Elections Officers of Hawaii. The Judiciary submitted comments on this measure.

Your Committee finds that section 831-2, Hawaii Revised Statutes, limits the voting rights for persons sentenced for a felony from the time of the person's sentence until discharge or suspension of the sentence.

In order to comply with section 831-2, Hawaii Revised Statutes, your Committee has amended this measure to require the Hawaii Paroling Authority to submit reports to the county clerks when granting or revoking parole.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2626 Judiciary and Hawaiian Affairs on S.B. No. 2733

The purpose of this measure is to assign the burden of proof to the Department of Education in initial challenges to an IEP in administrative hearings brought under the Individuals with Disabilities Education Act (IDEA) and shifts the burden to the parent or guardian in subsequent challenges following an adverse ruling to the parent or guardian.

Testimony in support of this measure was submitted by the Department of Education, the Disability and Communication Access Board, the Special Education Advisory Council, the Community Children's Council, and the Hawaii Disability Rights Center. Testimony in opposition to this measure was submitted by the Autism Society of Hawaii and nine individuals. Comments on this measure were submitted by the Attorney General, the State Council on Developmental Disabilities, the Learning Disabilities Association of Hawaii, and six individuals.

Your Committee finds that in light of the recent United States Supreme Court decision in *Schaffer v. West*, there is concern about which party has the burden of proof in appealing administrative hearings brought under IDEA. The measure, as currently drafted, places the burden of proof on parents when the parents bring a subsequent challenge. Your Committee finds that it is more appropriate to place the burden of proof on the appealing party, whether it be the parents or the department. Your Committee further finds that the department should have the burden of presentation since it is in possession of the student's records.

Your Committee also notes that many testifiers had concerns about changing the statute of limitations from two years to ninety days.

Your Committee has amended this measure to:

- (1) Require that in any appeal of an administrative hearing, the department shall have the burden of presentation and the party bringing the appeal shall have the burden of proof;
- (2) Insert a defective effective date of July 1, 2050; and
- (3) Make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2733, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2733, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2627 Judiciary and Hawaiian Affairs on S.B. No. 2986

The purpose of this measure is to clarify the requirements for taking private property by eminent domain.

Testimony in support of this measure was submitted by the Department of Planning of the City and County of Honolulu, the Hawaii Farm Bureau, the Kona County Farm Bureau, the Maui County Farm Bureau, the Small Owners Land Association of Hawaii, and the Small Land Owners of Oahu. Testimony in opposition to this measure was submitted by the County of Hawaii and the City and County's Corporation Counsel. Comments were submitted by two individuals.

Your Committee finds that this measure is in response to the recent United States Supreme Court decision of *Kelo v. New London*, 125 S. Ct. 2655 (2005), which raised concerns that urban renewal or economic development may be cited as a justification for allowing the government to condemn private property for the benefit of a private entity despite the fact that the property may not be for public

use. This measure would set parameters on the government's ability to condemn land by restricting ownership to the "condemnor," requiring judicial review, and defining "stated public use."

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2986, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2628 (Joint) Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs on S.B. No. 2345

The purpose of this measure is to provide for environmental covenants for contaminated property to assure long-term compliance with requirements needed to protect the public and environment when complete removal of contaminants is not feasible, practical, or necessary.

The Hawaii Commission to Promote Uniform Legislation submitted testimony in support of this measure. The Department of Health testified in support of the measure with amendments. The Land Use Research Foundation of Hawaii and three individuals submitted testimony in opposition. The Hawaiian Electric Company, Hawaii Electric Light Co., and Maui Electric Co. submitted comments.

The Department of Health testified that there is a growing reliance on practical, cost-effective, risk-based site remedies that allow some contamination to remain on property if public health and the environment are adequately protected. Land use restrictions, mandated environmental monitoring requirements, and common engineering management tools are designed to control the potential environmental risk of contamination and protect human health. These measures should be reflected on the land records as a valid real property servitude so they can be effectively monitored and enforced over time. This enables previously contaminated property that may otherwise remain vacant, blighted, and unproductive, to return to the stream of commerce.

Your Committees find that this measure establishes a process for creating and tracking environmental covenants and provides enforcement authority to assure that owners of contaminated property observe the required management controls placed on the property by the Department of Health.

Upon further consideration, your Committees amended this measure by:

- (1) Changing any reference to "a municipality or other unit of local government" to "a county";
- (2) Clarifying that the agency shall determine the person who shall be required to provide a copy of an environmental covenant under section -7;
- (3) Designating the holder as the party responsible for providing a copy of the final recorded covenant and other required documents to the Department of Health;
- (4) Clarifying that a holder may not assign the holder's interest without the consent of the other parties specified in subsection - 9(a);
- (5) Deleting the administrative enforcement and penalty provisions in sections 11.1 through 11.5 of the measure; and
- (6) Making technical, non-substantive amendments for clarity and style.

Your Committees considered testimony from the Hawaiian Electric Company that the measure as written may affect the normal operation and maintenance of public utilities and other providers of essential public services that historically have located facilities on real property but have no recorded interest in the property, and its proposed amendment to remedy this. However, your Committees question whether its proposed amendment circumvents the rights of property owners by creating an interest that the public utilities or other providers currently do not have or may not be entitled to in the real property.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2345, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hee, Hemmings, Whalen).

SCRep. 2629 (Joint) Labor and Commerce, Consumer Protection and Housing on S.B. No. 3072

The purpose of this measure is to streamline the process for adjusting fee charges for medical services provided under a motor vehicle insurance policy's personal injury protection provisions.

Specifically, this measure allows insurers to adjust fee charges to conform them to the applicable fee schedule without issuing formal denial notices. This measure also provides that fee adjustments constitute the acceptance of treatments and not the denials of benefits.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Insurers Council, and State Farm Insurance Co. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committees find that recent litigation over an insurer's practice of adjusting medical procedure codes provided to an insured under a motor vehicle insurance policy, paying the provider the undisputed amount billed, then seeking to negotiate with the provider over the disputed portion of the bill has revealed ambiguities in the current law. Pursuant to Orthopedic Assoc. of Hawaii, Inc. v. Hawaiian Ins. & Guar. Co., Ltd., 109 Haw. 185 (2005), the Supreme Court ruled that in situations where the insurer disputes billing codes or billing amounts, but not the treatment provided, and pays the undisputed portion of the bill, the insurer is still required to issue a formal denial notice pursuant to section 431:10C-304(3)(B), Hawaii Revised Statutes. Your Committees further find that, as a result of the Court's ruling in Orthopedic Assoc. of Hawaii, insurers are required to issue denial notices in the thousands, in triplicate, each month for billing discrepancies, even though the amount disputed may be as little as one dollar. The issuance of these denial notices has not only significantly increased the amount of paperwork required of insurers, but has also created a great deal of stress and concern for the insureds who are confused as to whether and why their treatments have been denied.

Your Committees believe that changes to the law are necessary to streamline the onerous process required by the Supreme Court and to clarify the legislative intent that treatment denials and payment disputes should be treated differently. Your Committees further believe that an insured or claimant should not be denied the opportunity to contest an insurer's decision to dispute a provider's charges. In Wilson v. AIG Hawaii Ins. Co., 89 Haw. 45 (1998), the Court held that the statutory scheme insulating claimants from personal liability for unpaid portions of medical bills reflected a legislative intent not to permit insureds to contest payment disputes, notwithstanding statutory language permitting any insured to contest such disputes. The law should provide a claimant with the ability to submit a dispute to the commission, arbitration, or a court, reflecting the legislative intent to allow claimants to contest fee disputes. Patients have a direct interest in proper payment to their doctors to maintain appropriate treatment and patient-doctor relationships. Your Committees find that it is necessary to permit claimants to contest fee disputes to maintain the pool of doctors willing to treat accident patients, as many doctors have stopped accepting accident patients because of the Wilson case, making needed medical treatment unavailable to many patients. Accordingly, claimants, insurers, and providers should be statutorily afforded real party in interest status and standing to contest all fee disputes.

Your Committees have amended this measure by:

- (1) Clarifying that section 431:10C-308.5, HRS, is not subject to the requirements of section 431:10C-304(3), HRS;
- (2) Clarifying that a payment or procedure code dispute is not a denial of benefits under section 431:10C-304(3), HRS, if the insurer:
 - (A) Pays the undisputed portion of the amount billed, and
 - (B) Furnishes a written explanation of any adjustment to the provider and claimant upon request and without charge;
- (3) Allowing a provider, claimant, or insurer to submit any dispute involving the billed amount, correct fee, or procedure code to the Commissioner, arbitration, or a court of competent jurisdiction; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3072, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Ihara).

SCRep. 2630 (Majority) Labor on S.B. No. 3008

The purpose of this measure is to ensure that a violation under Chapter 104, Hawaii Revised Statutes, arises with each separate project rather than each investigation involving one or more projects where the contractor has failed to comply with the law.

Testimony in support of this measure was submitted by the IBEW Local 1186, the Hawaii State AFL-CIO, and the Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR) and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committee finds that under the current law a contractor who is found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violative acts may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. Your Committee further finds that due to the lengthy process for conducting and completing investigations of possible violations, contractors who do not comply with the prevailing wages laws are not properly sanctioned or restricted from obtaining contracts for additional public work projects. Your Committee is concerned, particularly during the current construction industry boom, that contractors be carefully monitored and sanctioned as necessary to provide a level playing field for all contractors and to ensure the payment of prevailing wages to all eligible workers. This measure

will prevent contractors who continually violate the law on multiple occasions and on multiple public work projects from circumventing the law and gaining an unfair advantage over complying contractors.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2631 Judiciary and Hawaiian Affairs on S.B. No. 679

The purpose of this measure is to propose an amendment to the state constitution to provide that evidence that a testifying defendant has been convicted of a crime of dishonesty shall be admissible to assist the judge or jury in evaluating the credibility of the defendant to the same extent as any other testifying witness.

Testimony in support of this measure was submitted by the Attorney General, the City and County of Honolulu Prosecuting Attorney, the Honolulu Police Department, the County of Hawaii Police Department, and the State of Hawaii Organization of Police Officers. Testimony in opposition to this measure was submitted by the Judiciary, the Office of the Public Defender, and the Community Alliance on Prisons.

Your Committee finds that in Hawaii, witnesses other than the defendant may be impeached by the use of prior convictions. However, in *State v. Santiago*, 53 Haw. 254 (1971), the Hawaii Supreme Court ruled that a defendant may not be impeached by the use of prior convictions, even if those prior convictions involve crimes relating to the making of false statements or to dishonesty. This is in direct contrast to the federal rules, which permits the use of any conviction of dishonesty or false statement for impeachment of a defendant. This measure will put Hawaii in line with the federal law and will not take away any rights afforded defendants under rules 403 and 609 of the Hawaii Rules of Evidence.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 679, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2632 Judiciary and Hawaiian Affairs on S.B. No. 2243

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

Testimony in support of this measure was submitted by the Attorney General, the Department of Public Safety, the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and the Maui Police Department.

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

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2243, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2633 Judiciary and Hawaiian Affairs on S.B. No. 2408

The purpose of this measure is to exempt government entities from the definition of "owner" in section 663-9.5, Hawaii Revised Statutes, that imposes strict liability on firearms owners for injury or damage proximately caused by the firearm.

Your Committee received testimony in support of this measure from the Attorney General, the Department of the Corporation Council for the City and County of Honolulu, the Office of the Corporation Council for the County of Hawaii, and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Hawaii Rifle Association.

Your Committee finds that in its current form, section 663-9.5, Hawaii Revised Statutes, leaves open the possibility that the State or the counties could be held absolutely liable if a law enforcement officer were to use his or her service weapon to commit a criminal act that results in personal injury or property damage. This measure will clarify that the potential for absolute liability against owners of firearms does not apply to the State or counties.

Your Committee notes that this measure was originally proposed by the County of Hawaii. Your Committee further notes that discussions with the Attorney General indicate that this bill will not override *Doe Parents v. State of Hawaii*, 100 Haw. 3, 58 P.3d 545 (2002).

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2408, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2634 Judiciary and Hawaiian Affairs on S.B. No. 917

The purpose of this measure is amend the nominating committee for the Commission on Water Resource Management by removing one committee member to be appointed by the Governor and adding one committee member to be appointed by the Office of Hawaiian Affairs.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that the Office of Hawaiian Affairs, as the agency charged with the betterment of native Hawaiians, needs to be able to contribute to the State's management of water resources.

Based upon the testimony of the Department of Land and Natural Resources, with the concurrence of the Office of Hawaiian Affairs, your Committee has amended this measure to reinstate the number of members appointed by the Governor to two members. The fifth member of the Commission on Water Resource Management will still be appointed by the Office of Hawaiian Affairs. The odd number of members will also serve the purpose of avoiding tie votes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 917, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2635 Judiciary and Hawaiian Affairs on S.B. No. 940

The purpose of this measure is to amend the review procedure process under the patients' bill of rights and responsibilities act.

Specifically, this measure:

- (1) Preserves the commissioner's discretion to convene a panel to hear cases for consumers in non-ERISA plans;
- (2) Requires the commissioner to determine whether requests for external review concern an ERISA plan; and
- (3) Requires the commissioner to retain a qualified nonprofit organization to serve as the state health consumer advocate to assist in evaluating requests, resolving disputes, and carrying out the purposes of the chapter.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente, the Hawaii Medical Service Association, and the Hawaii Association of Health Plans.

Your Committee finds that several of the testifiers requesting amendments have noted that this measure is the only vehicle in which to address this issue. Therefore, your Committee has maintained the defective effective date of July 1, 2050, to allow for continued discussion. Your Committee also made technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 940, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2636 Judiciary and Hawaiian Affairs on S.B. No. 2159

The purpose of this measure is to increase the penalties for identity theft and make it a crime to intentionally or knowingly possess the confidential information of another without that person's authorization.

Your Committee received testimony in support of this measure from the Department of the Attorney General; the Department of Commerce and Consumer Affairs; the Department of the Prosecuting Attorney, City and County of Honolulu; the Department of the

Prosecuting Attorney, County of Maui; the Honolulu Police Department; and the Hawaii Bankers Association. The Office of the Public Defender submitted testimony in opposition to this measure.

Hawaii law enforcement has found it difficult to curb the rise in identity theft-related crimes when identity thieves in possession of personal information who have not yet caused a monetary loss to the victim cannot be prosecuted for crimes other than petty misdemeanor thefts. A nominal criminal consequence is inadequate to address and deter possession of another's personal information, and in fact perpetuates the larger problem of identity theft. Your Committee finds that increasing the penalties for identity theft by amending the law to make identity theft an enumerated offense within the repeat offender statute, and amending the law to make intentionally or knowingly possessing confidential information of another without authorization a class C felony, will help to deter identity theft crimes.

In light of the testimony submitted by the Department of the Attorney General, your Committee amended this measure by not amending the definition of "personal information" under section 708-800, Hawaii Revised Statutes. The definition for "personal information" was amended in S.B. No. 2159, S.D. 1 to include "confidential personal information." Your Committee recognizes that the term "confidential personal information" is only meant to apply to the offense of unauthorized possession of confidential personal information; thus, amending the definition for "personal information" is not necessary.

Your Committee also amended this measure by adding language suggested by the Department of the Attorney General to the affirmative defense subsection (2) of the new section relating to the unauthorized possession of confidential information. The added language will correctly refer to the term "confidential personal information" and strengthen the affirmative defense by protecting individuals who had a reasonable belief that they were authorized by law or by consent of the other person to possess the confidential personal information.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2159, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2159, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 2637 Judiciary and Hawaiian Affairs on S.B. No. 2332

The purpose of this measure is to amend the definitions of "public housing project" and "tenant" for the purpose of eviction from federal public housing.

The measure also amends the references to the time period in which a public housing tenant has to request a grievance hearing in the written notice of eviction, to conform to the recently amended grievance procedure rules, and amends the reference to public housing project or complex in the residential landlord-tenant code.

The Department of Human Services submitted testimony in support of this measure.

Your Committee finds that this measure removes obsolete statutory references that are to be repealed pursuant to Act 196, Session Laws of Hawaii 2005, and limits the statutory eviction process to federal public housing.

Your Committee has amended the bill by inserting a savings clause and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2332, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2638 Judiciary and Hawaiian Affairs on S.B. No. 2551

The purpose of this measure is to authorize the liquor commission to take thirty, rather than fifteen, days to make a decision on an application, and to give it the discretion to extend this time from thirty days to forty-five days.

In addition, this measure:

- (1) Allows the commission to remove names from its copy of the registered voters list for lack of residency;
- (2) Deems an application denied if the commission does not make a decision granting or refusing an application; and
- (3) Determines that a hearing or a rehearing on an application is not a contested case, and exempts those hearings from chapter 91.

Your Committee received testimony in support of this measure from Stahl, Inc., the Waikiki Neighborhood Board, and twelve individuals. E&J Lounge Company testified in opposition to this measure. Three individuals submitted comments on this measure.

Your Committee finds that the automatic permit denial provision of this measure requires a longer time period for the liquor commission to act, to avoid automatic denials due to scheduling problems.

Your Committee further finds that it is important for the liquor commission to use current residency information when determining whether a majority of the registered voters in a community have duly filed a protest against the granting of a liquor license. However, your Committee notes that the amendment to allow the liquor commission to remove names from the register voters list for lack of residency is not binding on the Office of Elections.

Your Committee also notes that in response to a concern raised by the Committee on Intergovernmental Affairs regarding the automatic denial of an application, the Attorney General stated that the automatic denial of an application is a policy issue that should withstand any due process challenge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2551, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2639 Judiciary and Hawaiian Affairs on S.B. No. 2615

The purpose of this measure is to affirm the importance of kinship placement and a child's attachment and bonding with a kin or non-kin foster caregiver.

In addition, this measure also requires the Department of Human Services to make a good faith effort, which includes consulting with the Na Kapuna Tribunal, to identify extended family members for possible placement of a child.

Testimony in support of this measure was submitted by three individuals. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs, the Hawaii Foster Youth Coalition, Na Kupuna O Kahana, Na Kupuna Tribunal, and three individuals. The Department of Human Services, Legal Aid Society of Hawaii, the Hawaii Foster Parents Association, and the Hawaii Coalition of Christian Churches submitted comments on this measure. The Judiciary provided comments on this measure.

Your Committee finds that this bill recognizes the importance of a foster child's attachment and bonding to present caregivers while still stressing the importance of the best interest of the child.

Your Committee has amended this measure to require that current foster care providers be the presumptive choice for the adoption of a child placed in their care for more than one year unless it can be shown that this is not in the best interest of the child.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2615, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2615, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2640 Judiciary and Hawaiian Affairs on S.B. No. 918

The purpose of this measure is to require that members of the coastal zone management public advisory board be appointed by the director of the lead agency in consultation with the chairperson of the board of trustees for the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Your Committee finds that while the Office of Hawaiian Affairs is appreciative of the efforts made by the Department of Business, Economic Development, and Tourism to give consideration to Hawaiian interests in the selection of the members of the Marine and Coastal Zone Advocacy Council, the Office of Hawaiian Affairs still requests that this measure be adopted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 918, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 2641 Judiciary and Hawaiian Affairs on S.B. No. 3233

The purpose of this measure is to authorize the parties or the court to make parenting plan amendments. The measure also permits the parties to make revisions that are consistent with or allowed by the provisions of an existing custody order without court approval, although court approval is required for any other changes. Additionally, the measure requires the parties to file the revised parenting plan with the family court.

Your Committee received testimony in support of the measure from the Children's Rights Council and one individual. The Judiciary submitted comments regarding this measure.

Your Committee has amended this measure to incorporate amendments proposed by the Judiciary and a member of the Hawaii Children's Rights Council by deleting the ability of the court to make amendments or revisions, because the court may revise and amend the parenting plan at any time during the minority of a child without a showing of a change in circumstances of either party or any child of the parties, and make other clarifying amendments. Your Committee also added the parties' right to revise or amend existing parenting plans by agreement if the changes are in accordance with an existing parenting plan or decree.

Your Committee also has amended this measure by 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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3233, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 2642 Judiciary and Hawaiian Affairs on S.B. No. 2559

The purpose of this measure is to clarify that members of county boards and commissions are subject to their respective county code of ethics, whether the board or commission member is appointed or elected.

Your Committee received testimony in support of this measure from Citizen Voice and four individuals.

Your Committee finds that both appointed and elected officials should be subject to the standards of conduct in their jurisdiction.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2559, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2643 (Joint/Majority) Tourism, Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 2973

The purpose of this measure is to facilitate the use of farm lands for purposes of agricultural tourism.

This measure would:

- (1) Add agricultural tourism conducted on a farming operation as part of an agricultural district and as a permissible use in agricultural districts, for the enjoyment, education, or involvement of visitors if the use is accessory and secondary to the principal agricultural use and does not interfere with farm operations;
- (2) Allow a county to regulate agricultural tourism by ordinance; and
- (3) Exclude agricultural tourism from environment assessment requirements.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Agriculture; the Hawaii Tourism Authority; the Maui Office of Economic Development; the Land Use Research Foundation of Hawaii; the Maui County Farm Bureau; the Hawaii Farm Bureau; the Hawaii Agricultural Research Center; and the Windward Ahupua'a Alliance. Testimony in opposition was received from the Sierra Club Hawaii Chapter and one individual.

Your Committees recognize the importance of agricultural tourism as a means for bona fide farms to supplement their incomes from farm activity. Your Committees are cognizant of testimony from a grass and flower farmer that the small farms would not benefit from this measure, because they do not have the capital to invest in a tourism operation on the farm. Your Committees believe that agricultural tourism may not be suitable for all farmers, but this measure addresses the broader issue for farms in general.

Your Committees find that many agri-tourism operations have emerged that are more tourism than agriculture, due to current land use law that is silent on whether agricultural tourism is a permissible use on agricultural land. Agricultural tourism is a unique product in Hawaii with its diverse agriculture that appeals to many visitors.

This measure is intended to clarify the parameters of agricultural tourism, while leaving the matter of regulation to the counties which are better equipped to specify the regulations by ordinance. Each county may choose its own extent of permissible operations.

Your Committees have amended this measure by:

- (1) Requiring an environmental assessment;
- (2) Clarifying that overnight stays are not a permissible use;
- (3) Requiring counties to adopt ordinances to further regulate agricultural tourism operations; and
- (4) Changing the effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Tourism and Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2973, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2973, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Hooser). Excused, 4 (Baker, Espero, Hee, Hemmings).

SCRep. 2644 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.B. No. 2929

The purpose of this measure is to require one member of the Land Use Commission to have substantial experience in traditional Hawaiian land usage and knowledge of cultural land practices.

Testimony in support of this measure was submitted by the Ali'i Pauahi Hawaiian Civic Club, the Association of Hawaiian Civic Clubs, the Ho'okipa Network, the Kapolei Civic Club, the Native Hawaiian Hospitality Association, the Oahu Council of the Association of Hawaiian Civic Clubs, the Oahu Council on the Preservation of Historic Sites and Cultural Properties, the Sierra Club, and one individual. Comments were also submitted by the Land Use Commission and the Office of Planning.

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

Your Committees noted testimony indicating that the Commission historically has relied on both expert and public testimony provided during the course of its proceedings. However, your Committees find that an additional requirement for one member of the Commission to have specific knowledge or experience contributes to and enhances the State's ability to fulfill its mandate to maintain valued cultural, historical, and natural resources and to preserve and protect the customary and traditional rights of native Hawaiians.

Your Committees also noted a concern that the requirement for one member of the Commission to have "substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices" is vague and too open to interpretation. However, your Committees further noted that the requirements in this measure are almost identical to requirements for the Commission on Water Resource Management, and to date, there has been no indication that the Commission on Water Resource Management has had any difficulty identifying or qualifying new members.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2929 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2645 Water, Land, and Agriculture on S.B. No. 2737

The purpose of this measure is to prohibit the commercial taking or sale of female ula (spiny lobster), Kona crab, and Samoan crab.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Conservation Council for Hawaii.

Your Committee finds that the number of ula (spiny lobsters), Kona crabs, and Samoan crabs have declined over the years, and it appears that the overharvesting of female ula, Kona crabs, and Samoan crabs has contributed to the decline. This measure prohibits the commercial taking and sale of female ula, Kona crabs, and Samoan crabs.

At the hearing, your Committee noted testimony from the Department of Land and Natural Resources requesting that this measure be amended to prohibit any taking of female ula, Kona Crabs, and Samoan crabs, regardless of whether the taking was for commercial or recreational purposes. After careful consideration, your Committee finds that this amendment would help to replenish the overall population of ula, Kona crabs, and Samoan crabs. Accordingly, your Committee has amended this measure by prohibiting any person from taking or killing female ula, Kona crabs, or Samoan crabs.

Your Committee has further amended this measure by:

- (1) Deleting section 2 of this measure, as laws supercede any administrative rule to the contrary; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2737, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 2646 Education and Military Affairs on S.B. No. 2721

The purpose of this measure is to repeal a statutory requirement for the Superintendent of Education to provide the Board of Education with an annual report of principal transactions made within the Department during the last completed year.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that the statutory language concerning “principal transactions within the department” was vague, and that the Department regularly prepares monthly, quarterly, and annual reports for the Board of Education when requested or required, so that the portion of the statute to be repealed may be unnecessary.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 2647 (Joint) Education and Military Affairs and Labor on S.B. No. 2887

The purpose of this measure is to direct the Hawaii Teachers Standards Board to create alternative criteria and other measures of qualification to allow higher numbers of prospective vocational education and career pathway teachers to teach in the classroom.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations Workforce Development Council, King Kekaulike High School, Lahainaluna High School, Maui High School, the Hawaii State Teachers Association, and three individuals. Testimony in support of the intent of this measure were received from the Department of Education and the University of Hawaii. Comments in opposition to this measure were received from the Hawaii Teacher Standards Board.

Your Committees find that there is a teacher shortage in vocational, technical, and career pathway program areas. These highly successful programs are in need of a greater number of teachers to support students, and introduce them to careers in growing industries in Hawaii.

Your Committees have amended this measure by omitting the mention of specific trade or industry experience which could serve as alternative qualifying criteria for teachers, and allowing the Department of Education to be responsible for the review and acceptance of alternative qualifying criteria and to waive the requirement of a bachelor’s degree to teach in these program areas.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2887, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2887, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2648 (Joint) Health and Human Services on S.B. No. 2139

The purpose of this measure is to ensure that any instruction, counseling, or information relating to sex shall be medically accurate, factually based, and objective.

Your Committees received testimony in support of this measure from Planned Parenthood of Hawaii, the Hawaii State Commission on the Status of Women, Hawaii Women’s Coalition, the Community Alliance on Prisons, the Healthy Mothers, Healthy Babies Coalition of Hawaii, and three individuals. The Department of Health testified in support of the intent of this measure. Your Committees received testimony in opposition to this measure from Catholic Charities Hawaii.

Your Committees find that American teens are facing a serious health crisis. New cases of sexually transmitted diseases and pregnancy among teenagers in Hawaii are increasing at an alarming rate.

Your Committees further find that a troubling national trend has emerged. Communication levels between parents and teens concerning sexual transmitted diseases, unintended pregnancies, and birth control are low. At the same time, public policy is moving towards factual sex information that is less informative. Therefore, it is even more crucial for relevant state-funded programs to provide young people with more comprehensive information about sex and how to avoid unintended pregnancy, and prevent sexual transmitted diseases and HIV/AIDS.

Your Committees further find that knowledge is the best tool for protection against poor decision making. When teens have accurate and balanced information about sex, sexual transmitted diseases, pregnancy, contraceptives, and abstinence, they will have the tools necessary to make responsible decisions and to protect themselves.

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2139, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2139, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 2649 Water, Land, and Agriculture on S.B. No. 2574

The purpose of this measure is to add an additional requirement for obtaining or renewing a small boat harbor permit.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and one individual. Testimony in opposition to this measure was submitted by Expeditions, Frogman Charters, Jack's Diving Locker, Lahaina Divers, Maui-Molokai Sea Cruises, Ocean Tourism Coalition, Trilogy Excursions, and one individual. Comments were submitted by one individual.

Currently, obtaining or renewing a small boat harbor permit requires the owner of a vessel to provide:

- (1) A marine surveyor's inspection that is not more than two years old certifying that the surveyor has inspected the vessel and considers it to meet the requirements set by the Department of Land and Natural Resources; and
- (2) Documentation of the vessel's ownership.

Your Committee notes that virtually all of the testimony in opposition to this measure requested that the measure include a provision that allows vessel owners to use their current United States Coast Guard commercial vessel certificate of inspection in lieu of State vessel inspections. Your Committee also noted testimony that the Hawaii Administrative Rules adopted by the Department of Land and Natural Resources already provide an exemption for vessel owners that have a current United States Coast Guard commercial vessel certificate of inspection. However, your Committee finds that amending this measure to include this provision is appropriate.

Your Committee has amended this measure by:

- (1) Providing that either a marine surveyor's inspection or a vessel inspection report that is less than two years old is acceptable for obtaining or renewing a small boat harbor permit; and
- (2) Allowing vessel owners to use their current United States Coast Guard commercial vessel certificate of inspection in lieu of a marine surveyor's inspection or a vessel inspection report.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2574, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 2650 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 2972

The purpose of this measure is to require a dealer to redeem deposit beverage containers on a one-to-one basis and defines one-to-one basis.

The Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Department of Health, Legislative Information Services of Hawaii, Safeway Inc., Foodland, Reynolds Recycling, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, Hawaii Food Industry Association, and Kualapuu Market Ltd., submitted testimony in opposition.

Numerous testifiers described the negative effects one-to-one redemption at the point of sale could have on consumers, employees, and the employers. However, consumers have complained that the current redemption process is cumbersome and inconvenient given factors such as the limited number of redemption centers and the unreliable hours of operation of some redemption centers.

Your Committees agree with Sierra Club Hawaii Chapter that it is more practical to require dealers to provide redemption to consumers and let the dealer decide whether to subcontract with a certified redemption center to operate on the dealer's premises or provide a reverse vending machine pursuant to section 342G-115, Hawaii Revised Statutes.

Your Committees amended this measure by:

- (1) Leaving the existing language in subsection (a);
- (2) Deleting the exceptions for dealers in high-density population and rural areas;
- (3) Deleting subsection (d);
- (4) Changing the effective date to July 1, 2050; and

- (5) Making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2972, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2972, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 2651 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 2749

The purpose of this measure is to provide a ten-year moratorium on testing, propagating, cultivating, growing, and raising genetically engineered taro.

KAHEA: the Hawaiian-Environmental Alliance, the Conservation Council for Hawaii, The Schafer Foundation, EarthJustice, the Hawaii Organic Farmers Association, the Kauai Taro Growers Association, the Waikiki Hawaiian Civic Club, the Sierra Club Hawaii Chapter, Limahuli Garden and Preserve, Kapaa Poi Factory Inc., Kona Biodynamic Farm, Waipa Foundation, Malu `Aina Farm, Kanalani Ohana Farm, and ninety individuals submitted testimony in support of this measure.

The Department of Health, the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the University of Hawaii, C & H Farms, Hawaii Biotech, Inc., Tropical Hawaiian Products, the Hawaii Science and Technology Council, Integrated Coffee Technologies, Inc., the Hawaii Farm Bureau, the Hawaiian Alliance for Responsible Technology and Science, the Maui County Farm Bureau, Kamiya Farm, Inc., the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, and nineteen individuals submitted testimony in opposition.

One person testified that she gathered signatures from four hundred and seventy concerned citizens and thirty-eight taro farmers in support of this measure.

Your Committees find that many questions exist regarding the possible health, environmental, economic, and cultural impacts of genetically modified taro. While genetic engineering may arguably serve as a tool to improve or protect agricultural crops, it is still prudent to prevent the inadvertent exchange of genetic material between genetically modified taro and non-genetically modified or conventional taro. Genetically modified taro experiments that take place in the open-air pose a contamination risk to non-genetically modified or conventional taro through cross-pollination.

Taro is sacred to native Hawaiians and is an integral part of Hawaiian culture. According to Hawaiian tradition, Hawaiian genealogy emerges from the kalo plant. Many Hawaiians eat taro as poi, serving the poi in a common dish to strengthen the `ohana. The integrity and purity of Hawaiian varieties of taro should be preserved.

Upon further consideration, your Committees amended this measure by:

- (1) Deleting any reference to a moratorium and rewording the purpose section to reflect the changes in the measure;
- (2) Making the measure sunset on June 30, 2011;
- (3) Maintaining the prohibition against any genetically modified Hawaiian variety of taro;
- (4) Permitting only an existing genetically modified non-Hawaiian varieties of taro to be tested, propagated, cultivated, raised, or grown in environmentally secure facilities;
- (5) Defining an "environmentally secure facility" as an enclosed facility, such as a laboratory or greenhouse, in which precautions exist to prevent the exchange of genetic material between genetically modified taro and non-genetically modified or conventional taro;
- (6) Prohibiting open-field testing and growing;
- (7) Requiring the Department of Health to report the effects of the measure to the Legislature prior to the convening of the regular session of 2011; and
- (8) Making technical, non-substantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2749, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

SCRep. 2652 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 2750

The purpose of this measure is to provide a ten-year moratorium on field testing, propagating, cultivating, growing, and raising genetically engineered coffee.

The Conservation Council for Hawaii; Kanalani Ohana Farm; LavaRock Farm; Kapaa Poi Factory; KAHEA, the Hawaiian-Environmental Alliance; the Schafer Foundation; and fifty-three individuals submitted testimony in support of this measure. The Department of Health; the Department of Business, Economic Development and Tourism; the Hawaii Farm Bureau; the Hawaiian Alliance for Responsible Technology and Science; the Hawaii Crop Improvement Association; C & H Farms; the Hawaii Coffee Association; Tropical Hawaiian Products; Integrated Coffee Technologies, Inc.; Hawaii Biotech, Inc.; Hawaii Science & Technology Council; and eighteen individuals submitted testimony in opposition.

Your Committees find that many questions exist regarding the possible health, environmental, economic, and cultural impacts of genetically modified coffee. While genetic engineering may arguably serve as a tool to improve or protect agricultural crops, it is still prudent to prevent the inadvertent exchange of genetic material between genetically modified coffee and non-genetically modified or conventional coffee. Genetically modified coffee experiments that take place in the open-air pose a contamination risk to non-genetically modified or conventional coffee through cross-pollination.

Upon further consideration, your Committees amended this measure by:

- (1) Deleting any reference to a moratorium and rewording the purpose section to reflect the changes to the measure;
- (2) Making the measure sunset on June 30, 2011;
- (3) Permitting genetically modified coffee to be tested, propagated, cultivated, raised, or grown in environmentally secure facilities;
- (4) Defining an "environmentally secure facility" as an enclosed facility, such as a laboratory or greenhouse, in which precautions exist to prevent the exchange of genetic material between genetically modified coffee and non-genetically modified or conventional coffee;
- (5) Prohibiting open-field testing and growing;
- (6) Requiring the Department of Health to report the effects of the measure to the Legislature prior to the convening of the Regular Session of 2011; and
- (7) Making technical, non-substantive changes for clarity and style.

It is the understanding of your Committees that the Hawaii Coffee Association is in accord with these amendments and supports the measure in its revised form.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2750, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2750, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

SCRep. 2653 (Majority) Human Services on S.B. No. 3218

The purpose of this measure is to ensure that every reasonable effort is made to place children, who are removed from the family home because of harm, with fit and willing kin.

On February 2, 2006, your Committee held a public hearing on S.B. No. 2685, which proposes the establishment of the Native Hawaiian Child Welfare Act. This Act establishes the Na Kupuna Tribunal and grants it exclusive jurisdiction over child custody proceedings involving native Hawaiian children. Testimony in support of that measure was received from the Department of Human Services, which believes that it is time to recognize and implement policies and practices that preserve the beneficial relationship between native Hawaiian children and the extended native Hawaiian community who can, and will, provide the care and support that these children need and deserve. Testimony in support of S.B. No. 2685 was also received from Blueprint for Change and several private citizens, including a hanai and lawe hanai kupuna, a native American who has had favorable experience with a similar system established for native Americans, a member of Na Kupuna O Kahana, and members of Na Kupuna O Wai'anae.

Your Committee recognizes the merits of incorporating the essential customary relations of native Hawaiian people and the cultural and social standards prevailing in native Hawaiian communities and families into child custody proceedings involving native Hawaiian children. However, your Committee also understands that there may be a problem with using S.B. No. 2685 as a vehicle for the proposed Native Hawaiian Welfare Act because the measure's title may be too restrictive.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the proposed Native Hawaiian Child Welfare Act (Act) which grants to the Na Kupuna Tribunal established by the Act exclusive jurisdiction over any child custody proceeding involving a native Hawaiian child in this State;
- (2) Establishing a one-year pilot project that:
 - (A) Requires the Department of Human Services to coordinate with the Na Kupuna Tribunal to develop procedures and protocols to assist the Tribunal in carrying out its responsibilities under the Act;
 - (B) Allows the Na Kupuna Tribunal to handle no more than twenty-five cases in accordance with the requirements of the Act and requires the Department of Human Services and the Family Court to enter into necessary agreements and develop procedures and protocols to enable the handling of these cases;
 - (C) Requires the Department of Human Services, with input from the Na Kupuna Tribunal, to submit a final report on the pilot project to the Legislature no later than twenty days prior to the convening of the regular session of 2007.
- (3) Specifying that sections 2 to 8 of the amended measure shall not be operative except for the cases being handled by the foregoing pilot project;
- (4) Specifying that the foregoing sections become fully operational on July 1, 2007; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

The pilot project established by this measure will help the Na Kupuna Tribunal develop necessary procedures and protocols to carry out its responsibilities, with the assistance of the Department of Human Services and the Family Court. Further, the measure affords the Legislature the opportunity to review the procedures and outcomes of the pilot project before full implementation of the Act.

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. 3218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3218, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Kokubun).

SCRep. 2654 Commerce, Consumer Protection and Housing on S.B. No. 3065

The purpose of this measure is to add one additional member from the water utility industry to the One Call Center Advisory Committee (Advisory Committee).

Testimony in support of this measure was submitted by the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; the Public Utilities Commission; the City and County of Honolulu Board of Water Supply; The Gas Company; and the Building Industry Association of Hawaii. No testimony in opposition to this measure was submitted to your Committee.

The purpose of the One Call Center is to provide advance warning of the location of subsurface installations to those planning to excavate in a certain area. This advance warning system protects utilities and other installations from damage by the planned excavation. The purpose of the Advisory Committee is to advise the Public Utilities Commission in the implementation of the One Call Center.

Your Committee finds that the addition of a representative from the water utility industry is necessary because water utilities, as a whole, operate more underground utilities than any other utility in the State.

The Division of Consumer Advocacy, the Public Utilities Commission, and The Gas Company, however, expressed concerns that a member from the wastewater industry should also be added to the Advisory Committee because of the importance of the wastewater industry and the need to maintain an odd number of members on the Advisory Committee in the event of a deadlock among members.

Your Committee finds that the addition of two members to the One Call Center Advisory Committee ensures that the Advisory Committee is effective and more representative of the stakeholders subject to the mandates of the One Call Center law. These two members will consist of one person from the water utility industry and one person from the wastewater industry.

Your Committee has amended this measure by adding two additional members to the One Call Center Advisory Committee, with one representative from the water utility industry and one representative from the wastewater industry.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3065, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 2655 Commerce, Consumer Protection and Housing on S.B. No. 2224

The purpose of this measure is to amend the definition of “principal balance” to clarify that negative equity may be financed as part of a motor vehicle retail installment sale contract.

Testimony in support of this measure was provided by the Hawaii Automobile Dealers’ Association. No testimony in opposition to this measure was submitted to your Committee.

Your Committee finds that this clarifying language is contained in similar statutes in thirty-eight states and that passage of this measure conforms chapter 476, Hawaii Revised Statutes to industry practice.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 2656 Commerce, Consumer Protection and Housing on S.B. No. 2295

The purpose of this measure is to repeal the requirement that principal detectives and principal guards must be residents of the State to qualify for licensure.

Additionally, this measure codifies the policies of the State Board of Private Detectives and Guards (Board) relating to principal detectives and principal guards.

Testimony in support of this measure was submitted by the State Board of Private Detectives and Guards. No testimony in opposition was submitted to your Committee.

The Department of the Attorney General has determined that the residency requirements contained in sections 463-5 and 463-7, Hawaii Revised Statutes, are unconstitutional because these provisions require residency as a condition of licensure. Your Committee finds that this constitutional defect necessitates the repeal of these residency requirements.

Your Committee also finds that consumer safety is ensured by the Board’s policy that a principal who is a resident of another state or jurisdiction can qualify for licensure provided that the principal is fully responsible for the direct management and control of the agency or the agency’s employees when detective or guard services are being provided in the State. Accordingly, your Committee finds that the codification of this Board policy is appropriate.

Last, your Committee notes that as an agency’s business increases, the staffing requirements of the business and the offices of the business also increase. Your Committee finds that the Board’s practice to allow an agency to employ more than one principal to aid in the direct management and control of the agency’s employees ensures consumer safety and is appropriately codified by this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2295 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2657 Commerce, Consumer Protection and Housing on S.B. No. 2299

The purpose of this measure is to allow the investigators of the Department of Commerce and Consumer Affairs access to the commercial, public, or residential premises of any business or work site to investigate reports of unlicensed activity.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Contractors License Board, the Board of Electricians and Plumbers, and Subcontractors Association of Hawaii. No testimony in opposition to this measure was submitted to your Committee.

Section 463B-26.5, Hawaii Revised Statutes, authorizes the Department’s investigators to issue citations to persons acting or engaging in business without a license. Your Committee finds that investigative access to business premises and work sites, including areas within gated communities, is a necessary component of the Department’s existing statutory authority to investigate and issue citations for unlicensed activity.

Your Committee further finds that the investigative access authorized in this measure is analogous to the access that the Department has to investigate commercial employment and travel agencies and to the authorized access of the Department of Labor and Industrial Relations to investigate complaints of unlawful employment practices and violations of the wages and compensation law.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2299 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2658 Commerce, Consumer Protection and Housing on S.B. No. 2280

The purpose of this measure is to make permanent Act 118, Session Laws of Hawaii 2004, which requires health insurers to treat a bona fide trade association and its members as a single group, at the option of the trade association, for the purpose of issuing a health insurance policy.

Testimony in support of the measure was submitted by the State Insurance Commissioner, the Retail Merchants of Hawaii, and the Hawaii Association of Realtors.

Your Committee finds that this measure will repeal the current sunset date of December 31, 2006, as provided by Act 118, thereby making permanent the option of various businesses and individuals to pool together within a trade association for health insurance rating purposes. Act 118 appears to be having a positive effect, so that it is advisable to extend it permanently.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2280 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 2659 Commerce, Consumer Protection and Housing on S.B. No. 3278

The purpose of this measure is to authorize motor vehicle insurers to reduce premium charges for insureds who complete a motor vehicle accident prevention course.

Testimony in support of the measure was submitted by the State Insurance Commissioner; Consumer Lawyers of Hawaii; and an individual. The Hawaii Insurers Council submitted comments.

Your Committee finds that drivers who complete and pass a motor vehicle accident prevention course are better equipped to recognize and avoid dangerous traffic situations, thereby positively affecting motor vehicle insurance premiums for all policyholders.

Your Committee has made technical, nonsubstantive amendments for clarity, style, and consistency with other statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3278, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 2660 Commerce, Consumer Protection and Housing on S.B. No. 2194

The purpose of this measure is to require background checks on applicants for employment as security guards, resident managers, or positions that have or are provided access to keys for entry into units or to funds of a condominium association.

This measure also requires the board of a condominium association to verify the criminal history disclosure made by an applicant for the foregoing positions and specifies that personal information obtained from the applicant will be used only for purposes of conducting the background check.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners and one individual. No testimony in opposition to this measure was received by your Committee.

The law currently provides a condominium association the authority to conduct background checks on certain individuals seeking employment with the association. However, your Committee finds owners and residents remain vulnerable to criminal activities in condominiums that may be deterred through the practice of requiring background checks on these individuals.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2194 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2661 Commerce, Consumer Protection and Housing on S.B. No. 2459

The purpose of this measure is to assist smaller concessionaires by giving the State the flexibility to accept legal tender and financial instruments other than performance bonds as security for the performance of their concession contracts.

Testimony in support of this measure was submitted by the Department of Transportation and the Airport Concessionaires Committee. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that it has become increasingly difficult and costly for smaller concessionaires at airports to obtain performance bonds. This measure provides these smaller concessionaires with flexibility and the ability to reduce costs that are presently associated with financial security requirements.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2662 Commerce, Consumer Protection and Housing on S.B. No. 2762

The purpose of this measure is to allow persons denied eligibility for public housing based upon an eviction after 1985, but not less than ten years prior to a current application, the right to appeal the denial.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii, which requested amendments, and by an individual public housing case manager.

Your Committee finds that this measure will provide a second chance to those persons previously evicted from public housing who can work out their issues and prove themselves worthy tenants again, thereby avoiding the necessity of living on the streets, in homeless shelters, or in overcrowded conditions with family members.

Your Committee has amended the measure to include the following conditions for appeal of ineligibility, as requested by the Housing and Community Development Corporation of Hawaii:

- (1) No prohibition under federal law against admission to public housing;
- (2) No outstanding liability for unpaid rent or damages; and
- (3) Written verification of responsible tenancy in other accommodations since the eviction, and successful completion of drug rehabilitation or anger management to address the behavioral problem that led to the eviction.

Your Committee has also amended the measure to change the effective date to July 1, 2006, and to make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2762, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2663 Commerce, Consumer Protection and Housing on S.B. No. 2283

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

Testimony in support of the measure was submitted by the State Insurance Commissioner on behalf of the Department of Commerce and Consumer Affairs, and by Hawaii Employers' Mutual Insurance Company. The American Council of Life Insurers testified in partial opposition to the measure. Royal State National Insurance Company commented that it has reservations regarding the measure.

Your Committee finds that this measure will:

- (1) Enable the Department of Commerce and Consumer Affairs to better monitor the financial condition of insurers, by requiring an annual examination of insurers' financial statements by independent certified public accountants;
- (2) Protect policyholders by extending the period in which a policyholder can lawfully make a claim under a commercial general liability policy; and
- (3) Allow for routine alcohol screening and intervention to initiate care before problems progress to severe stages requiring more costly and intensive treatment and medical services.

Your Committee has amended this measure to:

- (1) Delete enactment of the draft model regulation for annual audited financial reports, which may be premature at this time;
- (2) Delete the section repealing the optional provision under which the insurer shall not be liable for any loss as a consequence of the insured's being intoxicated or under the influence of narcotics, as this matter is the subject of S.B. No. 2364;

- (3) Delete sections of the bill relating to certificate of authority, residual market plan, and assigned risk coverage for workers' compensation insurance, as these amendments are technical in nature and not substantive; and
- (4) Make other technical, nonsubstantive amendments for clarity and style.

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

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2664 Commerce, Consumer Protection and Housing on S.B. No. 2470

The purpose of this measure is to require a landlord to include the landlord's general excise tax number of the first page of a rental agreement entered into with a tenant.

Testimony in support of this measure was submitted by the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and by the Department of Taxation. Testimony in opposition to this measure was submitted by the Hawaii Association of Realtors.

Your Committee finds that this measure would facilitate implementation of current Hawaii law that requires landlords to provide their taxpayer identification number to all tenants for the purpose of filing for a low-income tax credit. Your Committee further finds that this measure will promote the processing of the low-income tax credit for eligible taxpayers and reduce unnecessary inconvenience to tenants who attempt to secure the identification number after the written rental agreement is entered into by the landlord and tenants.

Your Committee has amended this measure by amending the reference of "general excise tax number" to "Hawaii tax identification number" to comport with the current language adopted by the Department of Taxation as reported in its announcement No. 2004-16. Your Committee has also amended this measure by changing the effective date from "upon approval" to "December 31, 2006" and providing that this measure shall apply to written rental agreements entered into on or after December 31, 2006. This change will allow the Hawaii Association of Realtors' Standard Forms Committee adequate time to implement the new requirement.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2665 Commerce, Consumer Protection and Housing on S.B. No. 2095

The purpose of this measure is to ensure that purchasers of annuities understand certain basic features of annuities.

Testimony in support of the measure was submitted by the National Association of Insurance and Financial Advisors and the American Council of Life Insurers. The State Insurance Commissioner opposed the measure. State Farm Insurance Companies offered comments recommending substitution of the language of H.B. No. 2434.

Your Committee finds that this measure will adopt the model Annuity Disclosure Law drafted by the National Association of Insurance Commissioners and adopted by eight other states in its current form, and by ten other states in its predecessor form. The law applies only to fixed and not variable annuities, and requires that information about guaranteed and non-guaranteed elements of the annuity contract be given to consumers in a "disclosure document" along with a "buyers guide" at the time of application.

Your Committee has amended the measure to:

- (1) Provide that failure of a producer to comply with the disclosure requirements of this measure is an unfair or deceptive act or practice in the business of insurance;
- (2) Change the effective date to January 1, 2007; and
- (3) Make a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2095, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2666 Commerce, Consumer Protection and Housing on S.B. No. 2018

The purpose of this measure is to require a public utility applicant applying for a certificate of public convenience and necessity (certificate) with the Public Utilities Commission to notify its consumers or patrons of the rates and charges being proposed.

Testimony in support of this measure was submitted by the Public Utilities Commission; the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; and the Kuilima Estates West Association of Apartment Owners Board of Directors. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that the notification procedure proposed by this measure encourages additional public involvement and discussion of any concerns relevant to certificate applications. Your Committee further finds that it is fair and reasonable that all utility consumers and patrons should be informed of a utility provider's proposed rate changes.

Your Committee has adopted the amendment proposed by the Public Utilities Commission and supported by the Division of Consumer Advocacy. This amendment provides for notice to customers through addresses on file with the applicant or the applicant's affiliates. Your Committee also has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2018, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2667 Commerce, Consumer Protection and Housing on S.B. No. 2294

The purpose of this measure is to authorize licensing authorities to allow licensees to assume inactive status when these licensees are currently not engaged in the practice of their profession or vocation.

This measure also allows licensees to reactivate their licenses at any time during the licensure period or at renewal. This reactivation is subject to an application by the licensee and denial of the application by the licensing authority.

Testimony in support of this measure was submitted by the Vocational Licensing Division, Department of Commerce and Consumer Affairs; and one individual.

Currently, only eleven of the forty-five licensing boards and programs statutorily provide the option for licensees to assume an inactive status. Your Committee finds that this measure would apply to all forty-five licensing boards and programs and will ensure regulatory uniformity and consistency.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2668 (Joint) Water, Land, and Agriculture and Health on S.B. No. 3049

The purpose of this measure is to provide honey-labeling requirements for honey products sold in Hawaii.

Testimony in support of this measure was submitted by the Big Island Beekeepers Association, C&H Farms, the Compleat Kitchen, the Hawaii Beekeepers' Association, Hawaii Farm Bureau, Island Honey LLC, the Source Natural Food Store, Triple F Distributing, Inc., and three individuals. Comments were submitted by the Department of Agriculture.

This measure provides specific requirements for labeling honey packaging to differentiate between:

- (1) Honeys that were produced solely in Hawaii;
- (2) Honeys that were produced in Hawaii but blended with honeys from another out-of-state location; and
- (3) Honeys that were produced entirely out-of-state.

Your Committees find that this measure will prevent manufacturers or distributors of honeys produced entirely or blended with out-of-state honeys from labeling its honey as a "Hawaii" or "All Hawaiian" product. This approach is similar to the Hawaii coffee industry's labeling of Kona Coffee. However, your Committees find that requiring honey manufacturers and distributors to provide more information on the honey used, rather than where in Hawaii the honey was produced, is a better approach for honey consumers. Accordingly, your Committees have amended this measure by requiring specific labeling requirements for:

- (1) Honey products produced solely within one country;
- (2) Honey products produced with more than one country's honey;

- (3) Honey products blended with additional sweeteners; and
- (4) Honey products produced with honey subjected to ultra-filtration and reconstitution processes.

Your Committees have further amended this measure by:

- (1) Adding language that allows all honey products subject to this measure one year to comply with the labeling requirements;
- (2) Adding definitions for “honey style” and “imported honey”; and
- (3) Making technical, nonsubstantive changes for style and clarity.

Your Committees noted testimony from the Department of Agriculture expressing concerns that the purpose of this measure is, in its opinion, to “protect the health and safety of all consumers of honey while promoting and protecting the Hawaiian honey industry.” Thus, the department emphasized that the Department of Health and the United States Food and Drug Administration should assume the lead and manage food safety issues.

However, your Committees noted testimony explaining that many of the low-priced honeys on the market are adulterated and mislabeled as “honey.” These honey products are often mixed with sweeteners or processed so extensively that the honey loses its distinct traits, including its enzymes, resins and flavinoids of plant origin, and pollen. Thus, the honey products do not endanger human health or safety; however, the labels that are affixed to the products do not accurately reflect their actual contents. Your Committees find that this measure, as amended, will prevent the mislabeling of honey products and will allow consumers the opportunity to make an informed decision when purchasing honey products.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3049, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3049, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hemmings, Whalen).

SCRep. 2669 Water, Land, and Agriculture on S.B. No. 2635

The purpose of this measure is to clarify the definition of public property in regard to the offense of obstructing access to public property.

Testimony in support of this measure was submitted by Life of the Land, the Sierra Club, and four individuals. Testimony in opposition to this measure was submitted by the Land Use Research Foundation of Hawaii. Comments were submitted by the Department of Land and Natural Resources.

Public access to public trails and recreational areas, the shoreline, and the sea have always been an important part of our island heritage. Your Committee finds that protecting public access to public resources by prohibiting residents from blocking public access is important, and that blocking access is a practice that should be discouraged. Accordingly, this measure clarifies that any obstruction to the sea or to or along the shoreline, an inland public recreational area, or a government road is prohibited.

To further protect and reinforce public access laws, your Committee amended this measure by requiring state and county agencies to ensure a public right-of-way is available before approving a development project, subdivision project, or zoning initiative that may affect public access to specific public areas.

Your Committee has further amended this measure by making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2635, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 2670 Water, Land, and Agriculture on S.B. No. 2004

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

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism, the Department of Land and Natural Resources, a Kahuna and direct descendent of the ancient Hawaiian Chief Laka, the Keahiakahoe Canoe Club, the Ko’olau Foundation, the Ko’olaupoko Hawaiian Civic Club, and one hundred ninety individuals. Testimony in opposition to this measure was submitted by the State Representative from the 47th District and fourteen individuals.

Recent news articles described out-of-control public concerts occurring on Ahu o Laka (commonly referred to as the Kaneohe sandbar) where fights, disorderly behavior, excessive consumption of alcohol, and overcrowding took place. There were also reports

that a lack of restroom facilities forced many concert attendees to relieve themselves in the ocean. These articles and reports raised many concerns in the community regarding the lack of reverence given to and the desecration of this culturally significant and cherished place. Your Committee finds that this behavior is appalling and should be deterred from occurring in the future.

In hearing testimony in support and opposition to this measure, your Committee noted that one issue is clear and can be agreed upon: out-of-control concerts or gatherings should not be allowed on Ahu o Laka. The testimony in opposition to this measure was overwhelmingly in favor of preserving the recreational visitors' use of the area. Your Committee concurs with this intent and believes that there is a balance between preserving this cultural site, preventing future out-of-control gatherings, and allowing recreational visitors continue to use this area responsibly.

Given the tremendous input from the community, your Committee has amended this measure by:

- (1) Deleting the provision that prohibited commercial activities, the use of sound amplification equipment, and the possession of any intoxicating liquor at Ahu o Laka;
- (2) Requiring the Department of Land and Natural Resources to adopt rules for the protection and maintenance of the Ahu o Laka state monument by:
 - (a) Imposing conditions focused on regulating large gatherings at the Ahu o Laka state monument, taking into consideration safety, security, and sanitary concerns; and
 - (b) Adopting other rules necessary to protect the aesthetic environment and cultural sensitivity of the Ahu o Laka state monument; and
- (3) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2004, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 2671 Water, Land, and Agriculture on S.B. No. 2501

The purpose of this measure is to establish a community-based subsistence fishing area in the state marine waters adjacent to the ahupua'a of Ha'ena on the island of Kauai.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Community Conservation Network, the Hanalei Watershed Hui, the Nature Conservancy, and two individuals. Testimony in opposition to this measure was submitted by Aqua Lung Pacific, Frogman Charters, the Hawaii Nearshore Fishermen, Holo-Holo Charters Inc., Kauai Sea Tours, Lahaina Divers, Maui Dive Shop, Maui-Molokai Sea Cruises, Ocean Tourism Coalition, and one individual.

Your Committee finds that the influx of visitors and a growing problem of indiscriminate fishing practices have adversely impacted the fish stocks and the integrity of the coral reefs in the Ha'ena ahupua'a on the northwest coast of Kauai. To help conserve the natural resources in this area, this measure establishes a community-based subsistence fishing area in the ahupua'a of Ha'ena.

Your Committee noted suggestions made by the Community Conservation Network and other individuals and has adopted the following amendments to:

- (1) Regulate rather than restrict certain uses and activities in the subsistence fishing area;
- (2) Provide that the Department of Land and Natural Resources will consult with the inhabitants of the Ha'ena ahupua'a, as well as other interested parties when regulating activities in the area or when creating rules for this area; and
- (3) Delineate the boundaries for the subsistence fishing area.

Your Committee has further amended this measure by making technical, nonsubstantive changes for style.

Your Committee finds that the Legislature is tasked with establishing all community-based subsistence fishing areas, and these fishing areas should not be established through administrative rules at the discretion of the Department of Land and Natural Resources. Your Committee is very concerned about this issue and recommends further discussion on amending the provision in this measure, which tasks the Department of Land and Natural Resources with adopting rules for the expansion of the fishing area to include neighboring ahupua'a, to determine if the language should be narrowed.

Your Committee further noted requests to also create a community-based subsistence fishing area for the island of Ni'ihau. Your Committee finds that a community-based subsistence fishing area may be possible; however, creating one through this measure is not appropriate at this time.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 2672 Commerce, Consumer Protection and Housing on S.B. No. 2298

The purpose of this measure is to strengthen the enforcement provisions in chapter 448E, Hawaii Revised Statutes, prohibiting unlicensed electrical and plumbing activities.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Board of Electricians and Plumbers, and the International Brotherhood of Electrical Workers Local 1186. The Associated Builders and Contractors, Inc., Hawaii Chapter, the Plumbing and Mechanical Contractors Association of Hawaii, the Sheet Metal Contractors Association, and Hawaiian Telcom opposed the measure.

Your Committee finds that this measure reflects the efforts of a task force convened by the Department of Commerce and Consumer Affairs to review and strengthen current practices relating to enforcement of unlicensed electrical and plumbing activities. Your Committee further finds that the parties who testified for and against the measure have agreed to compromise language so that the measure may move forward for further consideration.

Your Committee has amended this measure to:

- (1) Delete reference to a final order of the board of electricians and plumbers relating to an advertising violation;
- (2) Substitute "entity" for "public utility" with reference to furnishing telephone service;
- (3) Delete the subsection that added an additional fine based on total contract price;
- (4) Change the effective date to July 1, 2050, for purposes of further discussion; and
- (5) Make technical, nonsubstantive amendments for proper drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2298, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2673 Commerce, Consumer Protection and Housing on S.B. No. 2276

The purpose of this measure is to clarify and correct ambiguities or errors within Hawaii's business registration law, and to modernize and increase the effectiveness of the law.

Testimony in support of this measure was submitted by the Business Registration Division, Department of Commerce and Consumer Affairs; and The Chamber of Commerce of Hawaii. No testimony in opposition to this measure was received by your Committee.

This measure is a general housekeeping measure originating within the Department of Commerce and Consumer Affairs to update the Hawaii business registration law. This measure addresses errors, ambiguities, and inconsistencies due to changes in the Division's policies and procedures and the common law, and drafting errors. Your Committee finds that this measure will improve consumer protection by correcting these errors and clarifying these ambiguities and inconsistencies.

Your Committee has amended this measure by making technical, non-substantive amendments to conform to existing statutory language and for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2276, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2674 (Joint) Commerce, Consumer Protection and Housing and Water, Land, and Agriculture on S.B. No. 2774

The purpose of this measure is to make plantation communities such as Kunia Camp a permitted, rather than a nonconforming, use within the state agricultural land use district.

Testimony in support of the measure was submitted by the International Longshore and Warehouse Union Local 142, Kunia Camp Association, Poamoho Camp Community Association, and two individuals. The Department of Planning and Permitting of the City and County of Honolulu opposed the measure. The Department of Agriculture and Executive Officer of the Land Use Commission as an individual offered comments.

Your Committees find that housing is a fundamental need which will shortly be denied to residents of Kunia Camp unless the State takes prompt affirmative action. Eviction notices are already being issued to residents following the announced closure of Del Monte Fresh Produce Kunia Plantation. Employees and former employees of the plantation must be assured that their homes are secure and protected against any action that might declare them an impermissible or illegal land use.

After hearing and considering the testimony offered on this measure, your Committees acknowledge that further discussion is warranted on the issues of transfer of ownership, property regime, development rights, infrastructure requirements, density limits, and the unexpected consequences of allowing "spot zoning" for plantation communities in transition. Nevertheless, it is critically important that the measure move forward to protect the homes of the current residents of Kunia Camp.

Your Committees have amended this measure to:

- (1) Amend the term "plantation community" so that it refers to a subdivision of land in one or more parcels;
- (2) Include acreage together with employee housing and community buildings in the definition of plantation community subdivision;
- (3) Provide that the measure applies only to plantation community subdivisions acquired by employees or former employees;
- (4) Allow plantation community subdivisions formed after the effective date of the measure to qualify for similar relief;
- (5) Provide that the land surrounding a plantation community subdivision may have been leased or operated as well as owned by a plantation company; and
- (6) Make technical, nonsubstantive amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2774, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2774, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Sakamoto, Hemmings).

SCRep. 2675 Commerce, Consumer Protection and Housing on S.B. No. 2917

The purpose of this measure is to ensure continuation of health insurance rate regulation in this State.

Specifically, this measure repeals the sunset date from Act 74, Session Laws of Hawaii 2002, as amended by Act 3, Session Laws of Hawaii, relating to health insurance rate regulation.

Testimony in support of this measure was submitted by the State Insurance Commissioner, the Department of Commerce and Consumer Affairs; Hawaii State Teachers Association; The Hawaii Business League; Summerlin Life & Health Insurance Company; the Hawaii Chapter, American Physical Therapy Association; and one concerned citizen. Testimony in opposition to this measure was submitted by Hawaii Pacific Health and Kaiser Permanente. Comments were submitted by the Hawaii Medical Service Association.

According to the State Insurance Commissioner, since the start of rate oversight, the Insurance Division has made reductions to six different rate filings, thereby saving Hawaii consumers at least \$18,000,000. The Commissioner also reports that through rate oversight, the division has detected simple errors, unsupported rate factors, and deviations from established methodologies. Finally, the Commissioner reports that this oversight has not caused large additional costs for administration.

Your Committee finds and is in agreement with the Insurance Commissioner that health insurance rate regulation has operated well. Your Committee further finds that health insurance rate regulation provides benefits to consumers and to a competitive health insurance marketplace.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2917 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2676 Commerce, Consumer Protection and Housing on S.B. No. 2109

The purpose of this measure is to permit the direct shipment of wine into the State by persons with a Hawaii class 1 license or another state's license to manufacture wine, upon obtaining a wine direct shipper permit.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Wine Institute. Testimony in opposition to this measure was submitted by Hawaii Liquor Wholesalers Association, Hawaii Food Industry Association, and Legislative Information Services of Hawaii.

According to the Attorney General, this measure addresses the recent United States Supreme Court decision in Granholm v. Heald, 125 S. Ct. 1885 (2005), which held that laws allowing in-state wineries, but not out-of-state wineries, to ship wine directly to consumers violate the Commerce Clause of the United States Constitution.

Your Committee finds that there is dispute among the affected parties as to whether this measure is a proper response to the United States Supreme Court's holding in Granholm.

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

- (1) Deleting the specific number of cases allowed to be shipped into the State on an annual basis so that the parties affected can discuss the appropriate number;
- (2) Deleting references to out-of-state permitholders to clarify that provisions of this measure apply to both in-state and out-of-state permitholders as recommended by the Attorney General;
- (3) Providing that the county commissions shall begin issuing permits as provided in this measure on the date that the measure is to take effect as recommended by the Attorney General; and
- (4) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 2677 Commerce, Consumer Protection and Housing on S.B. No. 2413

The purpose of this measure is to repeal current statutory provisions allowing automatic approval of applications for business- or development-related permits, licenses, and approvals when an agency fails to grant or deny the application within the established maximum period of time.

Testimony in support of the measure was submitted by the Sierra Club Hawaii Chapter, Conservation Council for Hawaii, Hawaii's Thousand Friends, and two individuals. The Department of Land and Natural Resources, General Contractors Association of Hawaii, Land Use Research Foundation of Hawaii, Hawaii Reserves, Inc., the Hawaii Association of Realtors, and the National Federation of Independent Businesses in Hawaii opposed the measure.

Your Committee finds that automatic permit approval is controversial. It has been criticized as poor policy and praised as ensuring timely processing of applications. Your Committee finds that the issues raised by this measure deserve further discussion. Accordingly, your Committee has amended the effective date of the measure to read July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2413, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2678 Commerce, Consumer Protection and Housing on S.B. No. 2916

The purpose of this measure is to require Department of Commerce and Consumer Affairs investigators to issue cease and desist citations to persons conducting activities without the proper licenses, rather than just permit such issuance.

Testimony in support of this measure was submitted by the Iron Workers Stabilization Fund and the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (Ironworkers Local 625). Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs and the Contractors License Board.

Your Committee finds that this measure will reduce unlicensed construction in Hawaii by prohibiting an unlicensed contractor or subcontractor from continuing work without the proper licenses. To ensure further discussion on this measure, your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2916, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2679 Commerce, Consumer Protection and Housing on S.B. No. 2406

The purpose of this measure is to provide that automatic approval of applications for business- or development-related permits, licenses, or approvals will not occur when the board of commission's decision is delayed by lack of quorum, a tie vote, or other vote with less than a majority of the members of the board or commission.

Testimony in support of the measure was submitted by the County of Hawaii Planning Department, Sierra Club Hawaii Chapter, Conservation Council for Hawaii, and one individual. The Land Use Research Foundation of Hawaii, Hawaii Reserves, Inc., and the Hawaii Association of Realtors opposed the measure.

Your Committee finds that the automatic application approval is controversial. Proponents claim it ensures timeliness, while opponents claim it is poor public policy. Your Committee further finds that the issues raised by this measure deserve further discussion. Accordingly, your Committee has amended the effective date of the measure to read July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2406, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2680 Commerce, Consumer Protection and Housing on S.B. No. 2091

The purpose of this measure is to establish a named driver exclusion in the Hawaii Motor Vehicle Insurance Act.

Testimony in support of the measure was submitted by the Hawaii Insurers Council, the Property Casualty Insurers Association of America, and four individuals. State Farm Insurance Companies, the Hawaii Independent Insurance Agents Association, King & Neel, Inc., Hawaii Medical Service Association, Hawaii Association of Health Plans, and Consumer Lawyers of Hawaii opposed the measure.

This bill will allow an insured to exclude household members, who have a driving history that would cause the insured's rates to increase drastically, from the insured's coverage. The insured need only pay the reasonable rate associated with those household members who are actually driving the vehicle, which is fair and equitable to the insured and the insurance company.

Your Committee finds that this measure provides a choice, not a mandate, and will allow some consumers to be able to afford to purchase motor vehicle insurance who cannot do so today, thereby resulting in a higher percentage of insured vehicles on the road.

Your Committee further finds, based on the testimony received, that H.B. No. 1967 contains preferable language to effectuate the purposes of S.B. No. 2091. In particular, H.B. No. 1967:

- (1) Provides that an insurer may exclude a designated driver from coverage, rather than offer to exclude all coverage under a policy;
- (2) Refers to "motor vehicle insurance policy" rather than "no-fault policy"; and
- (3) Specifies that the primary named insured, rather than any insured on the policy, shall acknowledge the exclusion of a designated driver and agree to any subsequent reinstatement of coverage for that driver.

Your Committee has amended the measure to:

- (1) Substitute the language of Section 1 of H.B. No. 1967 for the language of Section 3 of S.B. No. 2091;
- (2) Add a savings clause for the rights and duties, penalties, and proceedings begun before the effective date of the measure;
- (3) Change the effective date of the measure to July 1, 2050, for purposes of further discussion; and
- (4) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2091, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2681 Commerce, Consumer Protection and Housing on S.B. No. 2913

The purpose of this measure is to specify that at least half of all electrical and plumbing workers employed at a construction job site by an electrical or plumbing contractor shall be licensed in accordance with Chapter 448E, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by International Brotherhood of Electrical Workers, Local Union No. 1186. Testimony in opposition to this measure was submitted by the Contractors License Board and Associated Builders and Contractors, Inc., Hawaii Chapter. Comments were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure, as it relates to one-to-one supervision of electrical and plumbing workers at a job site where there is electrical and plumbing work occurring, serves to protect the general public and the workers completing the work. As recommended by the Department of Commerce and Consumer Affairs, your Committee has amended this measure with language that maintains this intent that when workers are doing electrical or plumbing work, there is a corresponding licensed electrician or plumber on the project.

Your Committee also finds that this measure requires further discussion. Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2682 Commerce, Consumer Protection and Housing on S.B. No. 2454

The purpose of this measure is to provide that chapter 514E, Hawaii Revised Statutes, relating to time shares, does not apply to a sale outside the United States of an interest in a time share unit in Hawaii if the unit is part of a time share plan that was previously registered in Hawaii.

Testimony in support of this measure was submitted by Marriott International, Inc.; RCI, a subsidiary of the Cendant Vacation Network Group; and ARDA-Hawaii. Comments were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that there is a similar measure moving through the House of Representatives at this time as House Bill No. 3238. Your Committee also notes that the Department of Commerce and Consumer Affairs, Marriott International, Inc., and RCI are in agreement that the parties affected by this measure would benefit from continued discussions.

Your Committee has amended this measure by:

- (1) Replacing language that exempts time share plans offered and sold outside of the United States from the application of chapter 514E, Hawaii Revised Statutes, with language in House Bill No. 3238, H.D. 1 that also exempts time share plans offered and sold outside of the United States from the application of chapter 514E and provides that developers of these time share plans meet certain filing requirements. This amendment incorporates the recommendations by Marriott International, Inc. and the Department of Commerce and Consumer Affairs;
- (2) Providing that time share interests offered for sale outside of the United States shall not be resold in the United States, as recommended by the Department of Commerce and Consumer Affairs;
- (3) Providing that the developer of the new time share plan shall not subject the Hawaii units to blanket liens, as recommended by the Department of Commerce and Consumer Affairs;
- (4) Changing the effective date of the chapter to July 1, 2050, to ensure further discussion among affected parties and the Department of Commerce and Consumer Affairs; and
- (5) Making technical, non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2683 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 2300

The purpose of this measure is to extend group health insurance coverage for small employers to include self-employed individuals with no employees or small businesses with part-time employees.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii State Bar Association, and two individuals. Mutual Benefit Association of Hawaii, Hawaii Association of Health Plans, the Hawaii Medical Service Association, and Kaiser Permanente opposed the measure.

Your Committee finds that although Hawaii law requires that health insurers offer small group health plans to small employers, it is unclear whether the law extends health insurance group coverage to self-employed sole proprietors. Your Committee understands that this coverage is available to corporations, even those with only one employee, but may be denied to unincorporated sole proprietors. Accordingly, cost-effective health insurance coverage may not be available to these individuals.

Your Committee has amended this measure to change the effective date to July 1, 2050, for purposes of further discussion, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 1 (Sakamoto).

SCRep. 2684 Commerce, Consumer Protection and Housing on S.B. No. 3066

The purpose of this measure is to amend the usury law on credit cards by making it lawful for a credit card issuer and a customer to stipulate by written contract for any amount of interest, providing that an eighteen per cent cap applies to the simple interest numeric percentage rate but not to fees charged for services.

Testimony in support of this measure was submitted by the Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs; the Hawaii Bankers Association, First Hawaiian Bank; the Hawaii Credit Union League; and Hawaii Financial Services Association.

Your Committee finds that current Hawaii law places Hawaii-based credit card issuers at a pricing disadvantage relative to other issuers in states such as South Dakota and Delaware. In these states, usury laws have been eliminated in order to attract credit card issuers who can implement higher interest rates and fees on their credit cards. Your Committee further finds that this measure levels the playing field and achieves parity for Hawaii-based financial institutions.

Your Committee has amended this measure by:

- (1) Providing that any fee or charge shall be disclosed to the consumer in the credit card agreement or in an amendment to the credit card agreement, as recommended by First Hawaiian Bank, in the interest of transparency to the consumer;
- (2) Changing the effective date to July 1, 2050, to ensure further discussion; and
- (3) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2685 Commerce, Consumer Protection and Housing on S.B. No. 173

The purpose of this measure is to require the purchaser of a health club to assume all liabilities of the health club, including contractual liabilities.

Your Committee received testimony in support of this measure from four individuals. Comments were received from the Office of Consumer Protection.

This measure arises from the public concern that the purchaser of a health club is not obligated by law to assume the memberships of the seller of the health club. Your Committee finds that this practice is unfair and unconscionable. Health club contracts that existed at the time of the sale should be rightfully assumed by the new owner for the life of that contract, notwithstanding contract provisions to the contrary.

Your Committee notes that section 486N-8(a), Hawaii Revised Statutes, specifically prohibits lifetime health club contracts. Therefore, this measure need not address that situation.

Your Committee has amended this measure by:

- (1) Specifying that the purchaser shall assume all existing and prior contracts; and
- (2) Changing the effective date to July 1, 2050 to continue the discussions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, S.D. 1, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 173, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2686 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 2911

The purpose of this measure is to provide relief to Hawaii's consumers by bringing competitive market forces into play in establishing wholesale gasoline prices.

Your Committee notes that the federal courts have found, and the parties themselves acknowledge, that Hawaii's wholesale gasoline industry is an oligopoly, dominated and controlled by a few large companies. This has resulted in predatory pricing practices and supra-competitive and undefensibly large profit margins for these few companies, all to the detriment of Hawaii's gasoline consumers who have historically paid the highest price for gasoline in the country. In turn, because the entire economy is dependent on gasoline for transportation of persons and all goods consumed in the State, this situation negatively affects all Hawaii businesses and consumers, as well as the State's economic well-being.

The Legislature addressed this situation with Act 77, Sessions Laws of Hawaii 2002, as amended by Act 242, Session Laws of Hawaii 2004, which resulted in the implementation of Hawaii's mandatory wholesale gasoline price regulation program on September 1, 2005. This program tied Hawaii's wholesale gasoline prices to the competitive wholesale gasoline prices in three mainland markets. Only six months into the program's implementation, there is ample empirical data demonstrating that the wholesale gasoline price regulation program is working. Now, as in the past, when mainland prices go up, Hawaii's prices go up. However, unlike in the past, when mainland prices go down, Hawaii's prices go down as well. Heretofore, Hawaii has never experienced a substantial and sustained reduction in gasoline prices. In these six months, there have been several substantial and sustained reductions gasoline prices.

However, your Committee finds that, in spite of being given much latitude and discretion in implementing the wholesale gasoline price regulation program, the Public Utilities Commission has not fully utilized its authority under the law to act in a vigorous and proactive manner to implement this program for the ultimate benefit of Hawaii's consumers. Accordingly, the Legislature felt that additional changes were necessary for the wholesale gasoline price regulatory program to allow Hawaii's gasoline consumers to enjoy its full benefits.

Accordingly, the specific purposes of this measure are to:

- (1) Add the weekly average spot daily price of gasoline in Singapore into the determination of the baseline price of gasoline, with the average of the lowest three of the now four geographic markets establishing the baseline price of gasoline;
- (2) Provide that, in the event that there is a holiday in a prior week, the Public Utilities Commission shall use the average of the prior four-day work week;
- (3) Remove the zone price adjustment for zone 1, Oahu, the base zone for determining zone price adjustments for distribution of gasoline throughout the State;
- (4) Allocate different percentages of zone price adjustments to different wholesale distributors based upon their different functions; and
- (5) Provide for zone price adjustment on a zone by zone basis.

Your Committee has received testimony in support of this measure from: Advocates for Consumer Rights; Kokua Council; Frank Young, representing Consumers Against Gasoline Price Gouging; former Deputy Attorney General Ted Gamble Clause; former Senior Vice President of Pacific Resources, Inc., Howard Lee; University of Hawaii Professor of Law Richard S. Miller, speaking in his individual capacity; University of Hawaii Emeritus Professor of Accounting James E. Wheeler, speaking in his individual capacity; and several other individuals.

Your Committee received testimony against this measure from: Aloha Petroleum, Ltd.; Western States Petroleum Association; and several individuals. The Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; and the Public Utilities Commission offered comments.

Your Committee has amended this measure by:

- (1) Providing that, in the event of a holiday or holidays in a prior week, the Public Utilities Commission shall average the prices of the days of the prior week that were not holidays;
- (2) Eliminating the location adjustment factor;
- (3) Reducing the marketing margin to from 18 cents to 14 cents;
- (4) Retaining the zone price adjustment for zone 1, Oahu;

- (5) Clarifying that the zone price adjustments were to include the transporting of gasoline between and among zones 2 through 8; and
- (5) Making technical nonsubstantive changes for purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2911, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 2687 (Joint) Labor and Ways and Means on S.B. No. 2190

The purpose of this measure is to amend the Employment Security Law to provide two years of relief to employers in the face of an estimated balance of \$457,000,000 in the Unemployment Compensation Fund.

Testimony in support of this measure was submitted by the Office of the Governor, the Department of Labor and Industrial Relations, the National Federation of Independent Businesses, First Hawaiian Bank, the Hawaii Business League, Koga Engineering & Construction, Inc., the Molokai Chamber of Commerce, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, the Building Industry Association of Hawaii, the Hawaii Business League, MOSS Engineering, Inc., HSI Mechanical, Inc., Kokea Construction and Consultants, Inc., and three individuals. Testimony in opposition to this measure was submitted by the ILWU Local 142.

Your Committees recognize that over the years, through the sacrifices of both employers and employees, the reserve fund has grown to its present level. Your Committees find that while the fund has experienced a growth in its balance from those sacrifices and the recent economic upswing, the consensus of the various reports prepared related to the fund over the years indicates that a significant decline in the economy for just eighteen months could deplete the balance, leaving the fund without enough reserves during an economic downturn. The impact of terrorist attacks, pandemic events, or other events that would affect our fragile economy caution against allowing too substantial a use of the balance.

As a result, your Committees are concerned with the length of the relief provided to the employer and the inequitable use of the fund's balance that this measure proposes. In the past the Legislature has provided single year relief to employers during times of economic upswing or reserves in the balance. Therefore, your Committees have amended this measure to provide for one year of relief to the employers in the amount paid in contributions to the fund.

Additionally, with only minor exception, the Legislature has not provided adjustments to the statutory language on benefits paid to unemployed individuals for over a decade. Your Committees are mindful that employees themselves have played a role in creating the present balance going without any substantial changes to the law relating to unemployment benefits for several years.

Your Committees have made changes in the statutory language to unemployment benefits provided based on four areas of concern. First, employees in the construction industry are adversely affected by the arbitrary cap placed on the maximum weekly benefits paid, yet these employees earn a proportionately high income in a field that is a heavy contributor to the fund. Second, the present law creates too low a threshold that discourage employees from seeking secondary, supplemental income. Third, as our agricultural workers and employees in other fields face unemployment they need additional time to develop skills or locate work within their present skills. Your Committees find as a matter of policy what constitutes misconduct, recently decided in Medeiros v. Hawaii Dep't of Labor and Industrial Relations, 108 Haw. 258 (2005), should be statutorily established to reflect protecting the benefits of the employee. The amendments to the law as provided in this measure will give needed adjustments to the benefits paid to unemployed individuals while not significantly taxing the reserve fund.

Accordingly, your Committees have amended this measure by:

- (1) Limiting the adjustment to the employer's contribution to only 2007;
- (2) Increasing the maximum potential benefits paid to an eligible individual to thirty times the individual's weekly benefit amount;
- (3) Increasing the cap on the maximum weekly benefit amount to eighty percent of the individual's average weekly wage beginning in 2007 and ninety percent beginning in 2012;
- (4) Increasing to \$150 the threshold for deducting wages earned in a benefit week;
- (5) Specifying that the exclusion from benefits to employees terminated for misconduct shall be based upon willful and wanton misconduct;
- (6) Changing the effective date of the Act from effective upon approval to July 1, 2050 to allow further discussion on the measure; and
- (7) Making technical, nonsubstantive changes for purposes of clarity and to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2190, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, none. Excused, 3 (Ihara, Kokubun, Nishihara).

SCRep. 2688 Commerce, Consumer Protection and Housing on S.B. No. 2051

The purpose of this measure is to provide that a commercial driver's license with a hazardous materials endorsement will expire on the same expiration date as the expiration date as the hazardous materials endorsement, except where the licensee is seventy-two year of age or older.

Testimony in support of this measure was submitted by the Department of Transportation, the City and County of Honolulu, and the Hawaii Transportation Association. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that this measure eliminates the requirement for a person with a commercial driver's license and a hazardous materials endorsement to have two expiration dates for the applicant's license. Current federal regulations require the renewal of a hazardous materials endorsement every five years or less. Your Committee finds that this measure aligns the State's requirements for renewal of commercial driver's license with a hazardous materials endorsement with the federal regulations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2051 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2689 Commerce, Consumer Protection and Housing on S.B. No. 2065

The purpose of this measure is to establish that unpaid parking citations do not prevent the transfer of registration or ownership of a motor vehicle.

Testimony in support of this measure was submitted by the City and County of Honolulu Police Department and the Hawaii Automobile Dealers Association. No testimony in opposition to this measure was received by your Committee. Written comments were submitted by the Judiciary.

Your Committee finds that current law attaches parking citations to the vehicle rather than the vehicle's owners. This prevents the registration and transfer of ownership to a new owner until the parking fines of the old owner are paid. Your Committee further finds that the implementation of the current law places undue hardship on the new owner of a motor vehicle and that this measure place responsibility on the proper party.

Your Committee has amended this measure with a technical amendment that clarifies that the payment of the unpaid citation is the responsibility of the registered owner of the motor vehicle at the time the violation was incurred.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2065, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2065, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 2690 Commerce, Consumer Protection and Housing on S.B. No. 2082

The purpose of this measure is to define what type of health care information can be provided to employer groups, and under what circumstances.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, Kaiser Permanente, the Hawaii Medical Service Association, the Hawaii Association of Health Plans, and Summerlin Life & Health Insurance Company.

Your Committee finds that it is in the best interest of the entire community that individual privacy be both valued and protected. Sensitive information should be safeguarded, and individuals should not be penalized for their respective health conditions. This measure requires that health insurers provide aggregate claims experience to employers with at least twenty-five employees, upon payment of a fee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2082 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2691 Commerce, Consumer Protection and Housing on S.B. No. 2226

The purpose of this measure is to make the establishment of a community service license for dentists permanent, by deleting the sunset date adopted in Act 166, Session Laws of Hawaii 2004.

Testimony in support of this measure was submitted by the Department of Health, the Board of Dental Examiners, the Hawaii Dental Association, the Hawaii Medical Service Association, the Hawaii Primary Care Association, Ho'ola Lahui Hawai'i, Kokua Kalihi Valley, Kalihi-Palama Health Center, Hamakua Health Center, Inc., Waianae Coast Comprehensive Health Center, and Bay Clinic, Inc.

Your Committee finds that community service licensure has successfully provided professionally competent, licensed dental professionals willing to work in eligible dental clinic sites in the most needy and underserved communities. As there is both continued interest and a need for this program, it should be made permanent.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2692 Commerce, Consumer Protection and Housing on S.B. No. 2227

The purpose of this measure is to establish conditions for reimbursement of telehealth services.

Testimony in support of the measure was submitted by the Department of Health (with recommended changes), the Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, Hawaii Pacific Health, Hawaii Psychological Association, Hawaii Primary Care Association, and two individuals.

Your Committee finds that over the past eight years, the telehealth statute has aided health care providers to serve people statewide through direct interaction and consultation, but that updating is required to ensure that a broadened scope of telehealth activities will be covered for reimbursement.

Your Committee has made technical, nonsubstantive amendments for purposes of consistency with existing statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2227, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2693 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 2293

The purpose of this measure is to restrict businesses, subject to limited exceptions, from disclosing an individual's social security number to the general public.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the American Association of Retired People (AARP) Hawaii, the Hawaii Government Employees Association (HGEA), the Consumer Data Industry Association, Retail Merchants of Hawaii, the Hawaii State AFL-CIO, and the Chamber of Commerce of Hawaii.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force. In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

One of the tools most often used to steal an individual's identity is that individual's social security number. Your Committees find that this measure will minimize the abuses associated with the fraudulent use of an individual's social security number by restricting its use as an identifier.

Your Committees have amended this measure by:

- (1) Deleting the exclusion of government agencies from the definition for "business";
- (2) Adding a definition for "government agency" to the definitions section;
- (3) Adding "government agency" throughout the measure to clarify that the provisions also include and apply to government agencies;

- (4) Adopting the suggested language submitted by the Retail Merchants of Hawaii by adding an additional paragraph to section – 3(b) that excludes a business or government agency from the provisions of the new chapter when collecting, using, or releasing a social security number in the course of administering an employment claim, benefit, or procedure;
- (5) Deleting “person” and adding “business” in the penalty section to clarify that the cause of action will be against a business and not a person;
- (6) Adding a monetary damages penalty in addition to the provision that allows for a cause of action based upon unfair or deceptive acts or practices declared unlawful under section 480-2, Hawaii Revised Statutes;
- (7) Adding language that exempts government agencies from both penalty provisions;
- (8) Changing the effective date of the measure to July 1, 2050 to allow for further discussion; and
- (9) Making technical, nonsubstantive changes to correctly reflect the format and style of the Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs recognizes that the obligations imposed by this measure should also extend to government agencies. The Department also recognizes, however, that government agencies will need time to identify which government practices will need changing and then additional time to incorporate these changes into their practices. Additionally, the Department recommends that the Task Force should continue further discussion on this matter. Thus, your Committees amended this measure by changing the effective date to July 1, 2050 to allow for further discussion of the applicability and the affect of implementation of the measure on government.

The HGEA and the Hawaii State AFL-CIO suggest and your Committees recognize that adding definitions for “legitimate purpose” and “third party” in the definitions section may be appropriate, and that this is a topic for further discussion. Currently the HGEA discloses the social security numbers of their members to an international union and two insurance carriers. A definition for “legitimate purpose” and “third party” will provide further guidance for the unions to follow and comply with this measure.

Furthermore, the Consumer Data Industry Association suggests and your Committees recognize that adding an additional paragraph to section –3(b) may be appropriate to allow for an exception for public records and documents. Pursuant to the Constitution, state law, or by court rule or order, certain documents and records are required to be open to the public for inspection. Your Committees recommend further discussion on adding a paragraph that will exempt public records and documents from the provisions of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2293, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2293, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Ihara, Sakamoto).

SCRep. 2694 Commerce, Consumer Protection and Housing on S.B. No. 2296

The purpose of this measure is to make both housekeeping and substantive amendments to section 457-9, Hawaii Revised Statutes, regarding the licensure of nurses.

Testimony in support of the measure was submitted by the Board of Nursing.

Your Committee finds that this measure explicitly states for clarity that the Board of Nursing has the authority to impose automatic forfeiture and restoration of a license that is not timely renewed. Your Committee further finds that providing a two-year restoration period will allow a wider window for nurses to return to the workforce, with positive effects on the nursing shortage. Adding continuing education as an alternative proof of continued competency will facilitate reactivation of a nurse’s license, provided that the Board of Nursing establishes certain standards for the course and program components necessary to measure competency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2695 Commerce, Consumer Protection and Housing on S.B. No. 2297

The purpose of this measure is to clarify that professional mental health counseling services shall be based on specialized education, training, and experience.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, the Alliance for Professional Counselor Licensure, and three individuals.

Your Committee finds that this measure will:

- (1) Clarify that a mental health counselor can render professional counseling services;
- (2) Clarify that the provisions of this measure do not supersede the regulation of “registered rehabilitation specialists” by the Department of Labor and Industrial Relations;
- (3) Clarify that the intern and post-graduate practicum experience must be in mental health counseling; and
- (4) Specify that the post-graduate experience must be completed in not less than two years nor more than four years.

Your Committee has made technical, nonsubstantive amendments for purposes of correct drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2297, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2297, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2696 Commerce, Consumer Protection and Housing on S.B. No. 3161

The purpose of this measure is to adopt a broad approach to lessening the State’s dependence on fossil fuels and moving the State towards greater energy self-sufficiency.

Specifically, this measure:

- (1) Establishes a biofuel preference;
- (2) Establishes objectives and policies for state facility systems with regard to energy;
- (3) Appropriates funds for a statewide multi-fuel biofuel production assessment;
- (4) Appropriates funds to assist the agricultural community interested in developing renewable energy projects;
- (5) Establishes a renewable hydrogen program and hydrogen investment capital special fund;
- (6) Appropriates funds for three positions for the hydrogen program; and
- (7) Appropriates funds for the hydrogen investment capital special fund.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; Honolulu Seawater Air Conditioning LLC; Hawaii Energy Policy Forum; Hawaii Renewable Energy Alliance; Sierra Club, Hawaii Chapter; and Rocky Mountain Institute. Oral comments were presented to your Committee by Pacific Biodiesel.

Your Committee finds that it is in the State’s interest to encourage the use of renewable fuels and support the development of renewable energy.

Your Committee has amended this measure by making a technical, non-substantive amendment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3161, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3161, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2697 Commerce, Consumer Protection and Housing on S.B. No. 3185

The purpose of this measure is to establish a statewide energy efficiency utility and energy efficiency portfolio standard.

The Department of Business, Economic Development and Tourism, Life of the Land, Honolulu Seawater Air Conditioning LLC, Rocky Mountain Institute, Power Light Solar Electric Systems, and Sierra Club Hawaii Chapter submitted testimony in support of this measure. Hawaiian Electric Light Company submitted testimony in support of the measure with amendments. The Department of Commerce and Consumer Affairs and the Public Utilities Commission submitted comments.

This measure addresses the substantive changes that are needed to the Renewable Portfolio Standards Law and creates a companion concept, the Energy Efficiency Portfolio Standard. Your Committee finds that the establishment of an energy efficiency utility to be

selected by the Public Utilities Commission could lead to significantly greater energy efficiency gains than current approaches to demand-side management.

Upon further consideration, your Committee amended this measure by:

- (1) Giving the Public Utilities Commission discretion to redirect either all or a portion of the funds collected through the current demand-side management surcharge into the public benefit fund that may be established by the Commission instead of requiring the Commission to redirect all of the funds;
- (2) Adding paragraph (10) to section 269-C and paragraphs (9) and (10) to section 269-D to obligate the energy efficiency utility to share in the responsibility of meeting the portfolio standards with the electric utilities;
- (3) Changing any reference to a "fixed price" to "fixed prices" in section 5 of the measure to clarify that one fixed price is not intended for all of the renewable technologies;
- (4) By defecting the effective date to July 1, 2050; and
- (5) By making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3185, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2698 Commerce, Consumer Protection and Housing on S.B. No. 2057

The purpose of this measure is to authorize the counties to restrict time share units and time share plans in zoning districts, if the counties establish a time share zone district.

Testimony in support of this measure was submitted by the County Council, County of Maui; two members of the County Council, County of Maui; and the ILWU Local 142. Testimony in opposition to this measure was submitted by Marriott International, Inc.; Starwood Hotels and Resorts Worldwide, Inc.; Starwood Vacation Ownership; Fairfield Resorts, Inc.; Cendant Timeshare Resort Group; RCI, a subsidiary of the Cendant Vacation Network Group; Hilton Grand Vacations Club; Pahio Resorts, Inc.; the Hawaii Hotel and Lodging Association; and ARDA-Hawaii.

Your Committee finds that there is a trend in the time share industry that raises serious issues for communities and for the continued strength of the industry. Your Committee further finds that this matter requires careful government scrutiny at the state and county levels.

Your Committee has amended this measure by restricting it to counties with a population density between 100 and 1000 people per square mile, and providing that such counties may restrict time share units and time share plans in zoning districts if the county establishes a time share zoning district that allows time share units and time share plans.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2057, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2057, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2699 Commerce, Consumer Protection and Housing on S.B. No. 3179

The purpose of this measure is to require the Department of Health to establish a labeling program for fertilizers.

Testimony in support of this measure was submitted by Malu `Aina Farm, Life of the Land, the Respiratory and Environmental Disabilities Association of Hawaii, and two individuals. Testimony in opposition to this measure was submitted by the Hawaiian Alliance for Responsible Technology of Science. Comments were submitted by the Department of Health.

Your Committee finds that the labeling requirement of this measure will enable consumers to make informed decisions prior to using a fertilizer, by requiring information about the presence of hazardous or waste-derived substances in the fertilizer.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3179, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3179, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2700 Commerce, Consumer Protection and Housing on S.B. No. 3231

The purpose of this measure is to regulate individuals offering genetic counseling services.

Specifically, this measure would:

- (1) Protect those seeking genetic counseling services from incompetent and unscrupulous persons, and persons unauthorized to perform these services;
- (2) Assure the highest degree of professional conduct on the part of genetic counselors; and
- (3) Assure the availability of high quality genetic counseling services.

Testimony in support of the measure was submitted by Kaiser Permanente, the March of Dimes Hawaii Chapter, Kapiolani Medical Center for Women and Children, and eight genetic counselors. Comments were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that licensure of genetic counselors will ensure high-level quality service to consumers in this State.

Your Committee is in agreement with your Committee on Health that this measure requires a sunrise report pursuant to Section 26H-5, Hawaii Revised Statutes. Your Committee concurs with the recommendation by the Department of Commerce and Consumer Affairs that the name of the implementing agency be deleted from this measure and that the Auditor, in its sunrise analysis, be instructed to determine the agency to be the proper regulating authority.

Your Committee has amended this measure by:

- (1) Deleting the name of the implementing agency throughout this measure;
- (2) Exempting American Board of Genetic Counseling or American Board of Medical Genetics certified genetic counselors from licensure when they are brought into the State as consultants to train genetic counselors within the State; and
- (3) Including individuals who have a doctoral degree from a medical genetics training program accredited by the American Board of Medical Genetics, or an equivalent as determined by the American Board of Medical Genetics, among those individuals who should be licensed under this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3231, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2701 Commerce, Consumer Protection and Housing on S.B. No. 3261

The purpose of this measure is to enable dental specialists, who received their licensure and credentials in another state, to receive a license to practice their dental specialty in Hawaii.

Testimony in support of this measure was submitted by nineteen individuals. Testimony in opposition to this measure was submitted by the Hawaii Dental Association, one member of the Board of Dental Examiners, and thirteen individuals. Comments were submitted by the Board of Dental Examiners.

Based on oral testimony presented by the Hawaii Dental Association, fifty-one dental specialists were admitted into practice in this State under Act 121, Session Laws of Hawaii 2005, through licensure by credentials. Your Committee notes that this process is no longer available for dental specialists. Your Committee finds that there is still a persistent need for dental specialists in Hawaii, and that licensure by credentials is recognized in forty-five other states.

Your Committee has amended this measure by:

- (1) Adding prosthodontics to the list of dental specialties because this specialty is recognized by the American Dental Association;
- (2) Increasing the practical experience requirement from three years to five years within the seven years preceding the date of application; and
- (3) Changing the effective date to July 1, 2050, to ensure further discussions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3261, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2702 Commerce, Consumer Protection and Housing on S.B. No. 3277

The purpose of this measure is to establish certification procedures for nurse aides employed in facilities and health care settings in this State.

Testimony in support of this measure was submitted by the Department of Human Services, the Department of Commerce and Consumer Affairs, the Department of Health, and the Hawaii Long Term Care Association. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that this measure will enhance consumer safety because it will require all nurse aides employed in Medicare/Medicaid facilities and health care settings in this State to be certified.

Your Committee has amended this measure by making technical, non-substantive amendments recommended by the Department of Commerce and Consumer Affairs for clarity. Your Committee has also made further technical, non-substantive conforming amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3277, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2703 Ways and Means on S.B. No. 333

The purpose of this measure is to appropriate funds to the information processing services program.

The funds will be used to implement an interim alternate data center that will recover and restore information processing and telecommunications services in the event services are disrupted by a natural disaster or malicious activity.

This measure would also require the information processing services program to prepare a business plan for implementation of the interim alternate data center.

Your Committee finds that recent natural disasters have focused attention on the need for disaster recovery planning to minimize the disruption of public services. An interim alternate data center would allow state agencies to continue to provide critical government services to the public in the event of a major disaster.

Your Committee has amended this measure by:

- (1) Changing the amount to be appropriated to an unspecified amount to facilitate further discussion; and
- (2) Making technical nonsubstantive changes for 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. 333, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 333, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2704 Ways and Means on S.B. No. 2036

The purpose of this measure is to extend business and technology-based incubation services to foreign technology companies seeking to do business in the State.

Specifically, this bill appropriates an unspecified amount for the High Technology Development Corporation to establish an international business and technology incubator program in Hawaii. The funds are to be expended by the Department of Business, Economic Development, and Tourism.

Upon further consideration, your Committee has amended this bill by making various technical amendments for the purpose 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. 2036, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2036, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2705 (Majority) Ways and Means on S.B. No. 2222

The purpose of this measure is to amend the State's tax laws to allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement and consequently collect taxes from electronic commerce transactions.

Your Committee finds that, in 2003, the State lost approximately \$115,000,000 in state and local revenue because of an inability to collect use taxes on out-of-state retail transactions, including online sales. Those estimates increase to approximately \$200,000,000 by the year 2008.

In response to this data, the Legislature enacted chapter 255D, Hawaii Revised Statutes, the Hawaii Simplified Sales and Use Tax Administration Act. The Act essentially directed the Department of Taxation to enter into streamlined sales and use tax agreements with other states to simplify and modernize the administration of sales and use taxes. The modernization included, among other things, a system to prevent the widespread nonpayment of sales and use taxes owed from out-of-state retail transactions.

Your Committee finds that the implementation of the Streamlined Sales and Use Tax in Hawaii would benefit the State by:

- (1) Increasing the revenue to the General Fund; and
- (2) "Leveling the playing field" for local retailers by bringing equity to the State's retailers that lose sales to internet or mail order commerce.

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

Your Committee notes that the majority of substantive amendments made to the measure were executed to assist the State in conforming to the requirements of the Streamlined Sales and Use Tax Agreement. In addition, your Committee believes that the appropriation to the Auditor is necessary so that the Auditor and the Auditor's contractors may continue their work making recommendations to amend state tax law to comply with the Streamlined Sales and Use Tax Agreement.

As affirmed by the record of votes of the members 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. 2222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2222, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Hemmings, Slom). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2706 (Majority) Ways and Means on S.B. No. 2382

The purpose of this measure is to expand the Department of Taxation's performance-based contract capabilities to create revenue-generating initiatives.

Performance-based contracting means the hiring of a vendor who is paid for a service only if the vendor achieves the agreed upon objectives of the contract.

Your Committee finds that Act 273, Session Laws of Hawaii 1996, authorized the Department of Taxation to execute a performance-based contract to acquire the integrated tax information management system. The system, which essentially modernized the Department's computer capabilities, proved very successful and increased state revenues by more than \$252,000,000 during its first five years.

This bill would authorize the Department of Taxation to continue utilizing performance-based contracting to achieve additional technological initiatives to accomplish the following:

- (1) Expand the Department's capabilities to identify areas of tax noncompliance;
- (2) Improve collections of outstanding tax liabilities;
- (3) Expand the Department's capacity to process more tax returns;
- (4) Enhance the Department's ability to utilize federal tax information; and
- (5) Improve the Department's customer service capabilities to enhance taxpayer compliance with Hawaii tax law.

Your Committee has amended the bill by:

- (1) Conforming sections 36-27(27) and 237-31(3), Hawaii Revised Statutes, to the printed text of the Hawaii Revised Statutes;
- (2) Formally repealing the now obsolete section 231-3.2, Hawaii Revised Statutes, which relates to the integrated tax information management systems but was repealed by operation of law on July 1, 2005, and renumbering the bill's section numbers accordingly; 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. 2382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2382, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2707 Ways and Means on S.B. No. 2570

The purpose of this measure is to expand the scope of the motion picture and film production income tax credit to include the State's digital media industry.

The measure also increases the motion picture and film production income tax credit from four per cent to:

- (1) Fifteen per cent for qualified production costs incurred in a county with a population over seven hundred thousand; and
- (2) Twenty per cent for qualified production costs incurred in a county with a population of seven hundred thousand or less.

The measure also clarifies various qualifying provisions with respect to the tax credit.

Your Committee finds that the film industry has generated approximately \$160,000,000 in tax revenues for the State since 1992. These revenues, however, may be in jeopardy as there has been a dramatic increase in the number of state and local governments attempting to attract movie productions. Those jurisdictions have experienced dramatic increases in in-state spending and significant growth in workforce and infrastructure development.

Your Committee further finds that, by increasing the tax credit for motion picture, film, and digital media productions, this measure will encourage the growth of the movie industry locally to attract more film and television productions to Hawaii to compete more effectively against other jurisdictions that offer similar tax incentives.

Your Committee has amended the measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2570, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2708 Ways and Means on S.B. No. 2651

The purpose of this measure is to appropriate funds for the planning and construction of the Waipahu centennial memorial.

Your Committee finds that this measure supplements a previous appropriation that has since lapsed. Without continued funding, the project will not be able to be completed.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount to promote further discussions; and
- (2) 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. 2651, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2651, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kokubun, Sakamoto, Slom).

SCRep. 2709 Ways and Means on S.B. No. 2806

The purpose of this measure is to improve citizen involvement in the legislative process by enhancing the existing public access to legislative sessions and committee hearings.

Specifically, the measure appropriates \$42,000 for an archived and indexed video stream and two archived and indexed audio streams of legislative proceedings over the Internet. The legislative proceedings would include broadcasts from the chambers and conference rooms of the House of Representatives and the Senate and from the capitol auditorium.

Your Committee believes that audio and video streams of the daily legislative sessions and committee hearings would contribute to a public that is more informed about state government.

Your Committee has amended the bill by:

- (1) Clarifying that the expending agencies are the Senate and House of Representatives;
- (2) Providing separate appropriations for each chamber;
- (3) Changing the amount appropriated to an unspecified amount to promote continuing discussion on the matter; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2806, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2806, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kokubun, Sakamoto, Slom).

SCRep. 2710 Ways and Means on S.B. No. 2813

The purpose of this measure is to appropriate funds to the State of Hawaii endowment fund, a separate fund of the Honolulu Symphony Trust.

The income and capital gains from the State of Hawaii endowment fund are used for the production of music by the Honolulu Symphony, an important cultural, educational, and economic asset that provides world-class music to Hawaii audiences. In addition to its community concerts series, each year the symphony brings music into the lives of over thirty thousand children.

However, annual income from ticket sales and financial support from state, county, and private entities has been insufficient to maintain a balanced budget. As a result, the Honolulu Symphony is at risk of losing many talented musicians and reducing the quality and consistency of its music, which will negatively impact the symphony's programs.

Your Committee finds that making an appropriation to fund the State of Hawaii endowment fund will provide the essential financial stability to ensure that the orchestra's vital music education and enrichment services will remain available and affordable for the general public and, most importantly, for the young people of Hawaii.

Your Committee has amended this measure as follows:

- (1) By changing the appropriation to an unspecified amount to permit further consideration of the appropriate figure;
- (2) By clarifying that the amount of the appropriation is to be matched by private funds; and
- (3) By amending section 40-88, Hawaii Revised Statutes (State of Hawaii endowment fund), to reflect the increased capital contribution by 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. 2813, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2813, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kokubun, Sakamoto, Slom).

SCRep. 2711 (Majority) Ways and Means on S.B. No. 2818

The purpose of this measure is to provide funding for the construction of a level III regional bio-containment laboratory facility for the University of Hawaii.

Specifically, this bill authorizes the issuance of \$12,000,000 in general obligation bonds and appropriates the same amount for construction of the bio-containment laboratory facility. The bill further appropriates \$500,000 in general revenues for the same purpose, to be expended by the University of Hawaii.

Your Committee finds that the construction of the bio-containment laboratory is critical to the growth of the life sciences industry in Hawaii.

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

- (1) Changing all appropriated amounts to unspecified amounts; and
- (2) Making technical amendments for purposes of clarity and consistency, including adding to section 3 of the bill language indicating that the University of Hawaii is the expending agency for the general obligation bonds authorized for issuance and appropriated for use.

As affirmed by the record of votes of the members 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. 2818, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2818, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2712 Ways and Means on S.B. No. 3111

The purpose of this measure is to appropriate funds to establish a commission to recognize and honor Congresswoman Patsy T. Mink.

Your Committee finds that Congresswoman Patsy T. Mink's public service in Congress and in the Territory and the State greatly impacted the lives of many women and children, not only in Hawaii but also throughout the United States, improving the quality of their lives. Having personally experienced gender and racial discrimination as a young Japanese woman, she was strongly committed in her support of equality for women, civil rights, and public education. Congresswoman Mink was one of America's earliest and most dedicated civil rights leader. Your Committee firmly supports this bill's establishment of a commission to recognize and honor Congresswoman Patsy T. Mink.

Your Committee has amended this bill by:

- (1) Including the phrase "the feminist community" as a group that must be represented on the Patsy T. Mink Commission to conform with the bill's requirement for the President of the Senate to select a commission member who represents the feminist community;
- (2) Requesting the Library of Congress to participate by submitting to the Governor its list of nominees;
- (3) Adding two members of the public as a group that must be represented on the commission;
- (4) Requiring the county councils to select the members of the commission representing the family of Congresswoman Patsy T. Mink, the American Civil Liberties Union, and two members representing the public;
- (5) Changing the date by which the commission is required to submit its report to the Legislature from no later than sixty days prior to the convening of the Regular Session of 2007 to no later than twenty days before the 2007 Regular Session convenes;
- (6) Changing the amount appropriated from \$10,000 to an unspecified amount to promote continuing discussion on the matter; and
- (7) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3111, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3111, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2713 (Majority) Ways and Means on S.B. No. 2959

The purpose of this bill is to improve workforce training within the State's higher education system.

Specifically, this measure:

- (1) Establishes a rapid response development and training program within the community college system of the University of Hawaii;
- (2) Transfers the manpower and development training program from the Department of Labor and Industrial Relations to the community college system of the University of Hawaii; and
- (3) Appropriates Reed Act moneys to the community college system of the University of Hawaii for the administration of public employment offices under the jurisdiction of the county workforce investment boards.

Your Committee finds that career and technical education has been a major component of the community college system of the University of Hawaii. Moreover, the community college system is the major state resource to prepare and reeducate Hawaii's changing workforce. Accordingly, your Committee finds that the community college system is ideally suited to accommodating a number of new functions in response to Hawaii's growing workforce development issues.

Your Committee has amended this measure by changing every appropriation to an unspecified amount to promote continuing discussion on the issue. 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2959, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2959, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2714 (Majority) Ways and Means on S.B. No. 3118

The purpose of this measure is to provide for the repair and maintenance of research related equipment and facilities at the University of Hawaii.

Specifically, the measure changes the research and training revolving fund to a special fund and authorizes the University of Hawaii research and training special fund to be used for the repair and maintenance of research related equipment and facilities.

Furthermore, this measure removes the authorization for the transfer of indirect overhead funds from the research and training special fund to either the discoveries and inventions revolving fund or the University of Hawaii housing assistance revolving fund.

Your Committee recognizes that this measure codifies the university's current fiscal practices.

Your Committee has amended this measure by changing its effective date to July 1, 2060, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3118, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3118, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Slom). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2715 Ways and Means on S.B. No. 3120

The purpose of this measure is to increase the fiscal year 2006-2007 appropriation for the B Plus scholarship program.

Your Committee finds that this measure will assist the University of Hawaii at broadening student access to higher education by increasing need-based aid for Hawaii residents.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified amount of funds to establish a workforce development scholarship program that will provide scholarships to individuals based upon need at the community colleges;
- (2) Specifying that state funds for all scholarship programs shall be deposited into a separate account within the student scholarship and assistance special fund; and
- (3) Changing the appropriation for the B Plus scholarship program to an unspecified 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. 3120, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3120, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2716 Ways and Means on S.B. No. 3121

The purpose of this measure is to establish a Hawaii state scholars program at the University of Hawaii for high performing high school graduates.

Your Committee finds that the Hawaii state scholars program will encourage more of Hawaii's high achieving students to enroll at the University of Hawaii. Your Committee finds that the program complements similar existing university scholarship programs and will serve to recruit and recognize the accomplishments of a larger number of high performing Hawaii students.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3121, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3121, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2717 (Majority) Ways and Means on S.B. No. 2025

The purpose of this measure is to extend the time in which impact fees collected may be expended or encumbered by a county or board from six to ten years.

Your Committee finds that this extension will promote better planning in the construction of public facilities that are paid for in part by impact fees. This in turn will promote the better and more effective use of the impact 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. 2025 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2718 (Majority) Ways and Means on S.B. No. 2074

The purpose of this measure is to appropriate funds as a grant-in-aid to the Honolulu Police Department for the development of a 3-1-1 non-emergency reporting system.

Your Committee finds that non-emergency calls to the 9-1-1 system tax the limited resources of the Honolulu Police Department's communications division. It is estimated that sixty-five to seventy per cent of all calls to the 9-1-1 system are non-emergency calls. Development of a non-emergency 3-1-1 reporting system will alleviate this stress and allow 9-1-1 personnel to focus their resources on responding to actual emergencies.

As affirmed by the record of votes of the members 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. 2074, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2719 (Majority) Ways and Means on S.B. No. 2433

The purpose of this measure is to appropriate funds for a grant-in-aid to the Prosecuting Attorney's office in each county for the Career Criminal Prosecution units and the Victim Witness Assistance programs.

Your Committee finds that continued funding for the Career Criminal Prosecution units and Victim Witness Assistance programs is necessary given their critical role in the prosecution of chronic offenders and in providing services to the victims and witnesses of crimes committed in Hawaii, respectively.

Your Committee has amended this measure by changing the amount appropriated in sections 1, 2, and 5 of the bill to an unspecified sum to facilitate 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. 2433, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2433, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Trimble). Excused, 4 (English, Fukunaga, Kim, Sakamoto).

SCRep. 2720 (Majority) Ways and Means on S.B. No. 3051

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

Your Committee finds that, under existing law, the counties are required to begin their fiscal year on July 1 of each year and end it on June 30 of the following year. This schedule coincides with the State's fiscal year.

Your Committee finds that the counties may want the flexibility to determine when their fiscal year begins and ends.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purposes of clarity and to correct a typographical error.

As affirmed by the record of votes of the members 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. 3051, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3051, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2721 Ways and Means on S.B. No. 3168

The purpose of this measure is to allow the counties to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

Your Committee understands that currently, easements required for chilled water and seawater distribution systems for seawater air conditioning district cooling systems can only be obtained by public auction. As a consequence, seawater air conditioning developers must conduct extensive and costly preliminary work to identify, evaluate, and obtain easements. It would be beneficial for these developers to have a more expeditious and cost-effective way to obtain necessary easements, particularly in light of the energy sustainability and pollution reduction benefits that these systems offer.

Your Committee has amended this measure by:

- (1) Changing its effective date from upon approval to July 1, 2050, to facilitate further discussion; 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. 3168, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3168, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kokubun, Nishihara).

SCRep. 2722 Ways and Means on S.B. No. 1294

The purpose of this measure is to dedicate a percentage of all funds derived from the public land trust to the Office of Hawaiian Affairs for the repair and maintenance of the Royal Mausoleum at Mauna Ala.

Because Mauna Ala is of significance to, and the responsibility of, the entire State and not just to native Hawaiians, this measure ensures that funds dedicated to the repair and maintenance of the Royal Mausoleum at Mauna Ala shall be in addition to those funds already allocated to the Office of Hawaiian Affairs from the public land trust.

Your Committee has amended the effective date of this measure to facilitate further 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. 1294, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1294, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2723 Ways and Means on S.B. No. 1311

The purpose of this measure is to authorize a three-year pilot project by which the Judiciary may assume supervision and control over inmates in correctional facilities that qualify for the drug court program.

Your Committee finds that the drug court program has been extremely successful in reducing the recidivism rate for drug offenders. Rehabilitation programs that prepare persons for life after completion of their sentence are critical to public health, safety, and welfare.

Your Committee amended this measure by making technical nonsubstantive amendments for 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. 1311, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1311, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2724 (Majority) Ways and Means on S.B. No. 2240

The purpose of this measure is to make an appropriation for fiscal year 2005-2006 for the payment of settled claims against the State, its officers, and its employees.

Your Committee amended this measure by:

- (1) Correcting certain total figures; and
- (2) Making technical nonsubstantive changes for 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. 2240, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2240, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Hemmings). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2725 Ways and Means on S.B. No. 2593

The purpose of this measure is to exempt certain Family and Circuit Court proceedings from normally required court and witness fees.

Specifically, the exemption applies to any proceedings for the protection of any child under the child protective law, chapter 587, Hawaii Revised Statutes.

Your Committee finds that there has been a long-standing practice not to assess fees in cases filed to protect children. The cases are generally filed by the Department of the Attorney General, which, as a government agency, is normally not assessed filing fees. In many of these cases, the child's parents have court appointed counsel and are not assessed fees. Your Committee believes that even when the child's family does not qualify for a court appointed attorney or appears pro se, no fees should be assessed against these parties. This bill clarifies the waiver of initial filing fees and subsequent fees for motions or other pleadings.

As affirmed by the record of votes of the members 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. 2593 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2726 Ways and Means on S.B. No. 2598

The purpose of this measure is to enable the continued deposit into the judiciary computer system special fund of fees for electronic filing, signing, serving, certification, and verification of court documents.

Your Committee understands that the judiciary computer system special fund has enabled the Judiciary to begin implementation of the judiciary information management system, an automated integrated case management system that improves court operations and revolutionizes the way courts do business and interface with the public. Additional work is needed to fully implement the judiciary computer system, including implementation of its electronic filing component. This measure ensures the continued use of court fees for the judiciary computer system by extending the repeal date of Act 230, Session Laws of Hawaii 2004, from June 30, 2007, to December 31, 2008.

As affirmed by the record of votes of the members 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. 2598 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2727 (Majority) Ways and Means on S.B. No. 2606

The purpose of this measure is to eliminate the need for an order of the court to escheat unclaimed moneys deposited by way of bond or bail.

Your Committee understands that this proposal will increase the efficiency of processing unclaimed bail or bond moneys by allowing these moneys to revert to the State once due notice to the person who deposited the funds has expired.

As affirmed by the record of votes of the members 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. 2606 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2728 (Majority) Ways and Means on S.B. No. 2797

The purpose of this measure is to propose an amendment to the state constitution to raise the mandatory retirement age of justices and judges from seventy to eighty years.

Your Committee made technical nonsubstantive changes 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. 2797, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2797, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2729 Ways and Means on S.B. No. 2926

The purpose of this measure is to help prepare inmates for reintegration into the community by expanding existing work furlough program opportunities.

Your Committee finds that the capacity of the Department of Public Safety's current work furlough programs is inadequate to handle the number of inmates who qualify for educational, vocational, and employment opportunities in the community. Your Committee further finds that work furlough programs provide inmates with skills, instill a sense of pride and responsibility, and contribute greatly to reducing recidivism.

Your Committee has amended this measure by making technical nonsubstantive changes 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. 2926, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2926, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2730 Ways and Means on S.B. No. 2935

The purpose of this measure is to authorize the Director of Finance to issue general obligation bonds in the sum of \$1,000,000 for the purpose of constructing facilities in Kapolei to accommodate the provision of services to the Department of Hawaiian Home Lands' Kapolei residential project.

Your Committee finds that the Department of Hawaiian Home Lands has issued a thirty year lease to the Association of Hawaiian Civic Clubs, with the latter providing certain services and activities for the Department's Kapolei residential project. The proceeds from the bond issue will be applied for the construction of a facility to allow for the provision of these services.

Your Committee has amended this measure by:

- (1) Leaving the amount of the bond authorization unspecified to facilitate further discussion of this matter; and
- (2) Making a technical change for 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. 2935, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2935, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2731 (Majority) Ways and Means on S.B. No. 2943

The purpose of this measure is to appropriate funds to enable the hiring of monitors for out-of-state correctional facilities housing Hawaii inmates.

Your Committee understands that the proposed monitors will be employed by the Department of Public Safety to work onsite at the out-of-state correctional facilities housing Hawaii inmates. These monitors are needed to keep track of conditions and operations at the correctional facilities and provide a readily accessible channel for Hawaii inmates to communicate their grievances and 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. 2943, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2732 (Majority) Ways and Means on S.B. No. 2945

The purpose of this measure is to appropriate funds to construct an additional women's correctional center and facility to meet the current and projected needs of female inmates.

Your Committee finds that the number of women incarcerated in Hawaii is growing at a faster rate than incarcerated men. The female inmate population grew thirty-two per cent from 2001 to 2004, and the number of female parole violators rose thirty per cent during the same period. This growing female inmate population has placed a serious burden on the State's women's prison, which has led to overcrowding problems and difficult living conditions for female inmates.

The women's prison also suffers from:

- (1) Canceled programs caused by lock-downs due to lack of space;
- (2) Inadequate staffing, due to the growing inmate population; and

- (3) Deteriorating facilities, including inoperable toilets and plumbing and faulty or damaged electrical wiring.

This bill would provide the funds necessary to alleviate the problems associated with an antiquated and overcrowded correctional facility by providing new, reasonable accommodations to female inmates.

Your Committee has amended the bill by making technical 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. 2945, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2945, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Fukunaga, Hemmings).

SCRep. 2733 (Majority) Ways and Means on S.B. No. 2947

The purpose of this measure is to establish criteria for contracts between the Department of Public Safety and out-of-state facilities that house Hawaii inmates.

Your Committee finds that this measure is necessary to ensure the proper handling and care of inmates transferred to out-of-state correctional facilities.

Your Committee has amended this measure as follows:

- (1) To correctly reference section 352-16.2, Hawaii Revised Statutes, rather than section 352-16.32;
- (2) To clarify that policies and procedures for disciplinary action refer to inmates, not correctional officers;
- (3) To clarify that, for purposes of investigations by the ombudsman, out-of-state facilities shall be subject to chapter 96, Hawaii Revised Statutes (the ombudsman law);
- (4) To remove reference to inmate release on furlough or work release; and
- (5) To make technical nonsubstantive changes for the 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. 2947, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2947, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2734 Ways and Means on S.B. No. 2948

The purpose of this measure is to appropriate funds to temporarily satisfy the State's obligation to pay the Office of Hawaiian Affairs its pro rata share of revenues derived from the public land trust.

Specifically, the measure, among other things:

- (1) Establishes that, until the Legislature finally resolves the issue of how the Office of Hawaiian Affairs' pro rata share of public land trust revenues is to be determined, beginning with fiscal year 2005-2006, the income and proceeds from the pro rata portion of the public land trust to be expended by the Office of Hawaiian Affairs, under Article XII, section 6, of the State Constitution, shall be \$15,100,000;
- (2) Requires certain executive departments and agencies to transfer \$3,775,000 of receipts generated by the public land trust to the Office of Hawaiian Affairs within thirty days after the end of each fiscal quarter;
- (3) Appropriates \$17,500,000 to pay the Office of Hawaiian Affairs receipts from the use of lands in the public land trust that should have been transferred but previously were not transferred to the Office of Hawaiian Affairs between July 1, 2001, through June 30, 2005; and
- (4) Declares that nothing in the agreement contained in the measure is to be construed as resolving or settling, or be deemed to acknowledge the existence of, the claims of native Hawaiians to the income and proceeds of a pro rata portion of the public land trust under article XII, section 6, of the state constitution.

Your Committee finds that the agreement embodied in the measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded lands.

Your Committee has amended the measure by reformatting the quoted material contained in the measure and by deleting the specific amount appropriated to ensure continued discussion on the issue.

As affirmed by the record of votes of the members 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. 2948, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2948, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2735 (Majority) Ways and Means on S.B. No. 2949

The purpose of this measure is to provide the Office of the Ombudsman the authority to investigate out-of-state, private, or federal correctional facilities or institutions that have contracts with the Department of Public Safety to house Hawaii's inmates.

Your Committee finds that, because almost fifty per cent of Hawaii's inmates are transferred to out-of-state facilities, it is necessary to give the Office of the Ombudsman the authority to investigate complaints against an out-of-state facility and cases of death or riot at an out-of-state facility. Your Committee further finds that, as the Office of the Ombudsman currently has authority to address issues relating to prisoners at state facilities, it is appropriate to extend the scope of those duties to all prisoners, wherever they may be housed.

Your Committee amended this measure by:

- (1) Clarifying that the Ombudsman has jurisdiction to investigate acts of any out-of-state facility;
- (2) Clarifying provisions relating to access by the Ombudsman to out-of-state facilities and mail to the Ombudsman;
- (3) Changing the effective date to July 1, 2060, to facilitate further discussion on the role of the Ombudsman;
- (4) Making the bill applicable to investigation of certain out-of-state correctional facilities; and
- (5) Making technical nonsubstantive amendments for 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. 2949, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2949, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2736 (Majority) Ways and Means on S.B. No. 3040

The purpose of this measure is to propose an amendment to the Hawaii Constitution relating to excess state revenue.

Specifically, the measure proposes to amend article VII, section 6, of the state constitution to provide that whenever the general fund balance, at the close of two successive fiscal years, exceeds five per cent of general fund revenues, the Legislature, in its next regular session, shall have, as an alternative to refunding or crediting an amount to state taxpayers, the authority to deposit the amount that would have been refunded or credited into the emergency and budget reserve fund.

Your Committee finds that the measure will provide the Legislature with the necessary flexibility to determine the best way to dispose of excess revenue.

As affirmed by the record of votes of the members 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. 3040 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2737 (Majority) Ways and Means on S.B. No. 3119

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

The measure also:

- (1) Establishes that the moneys deposited into depositories other than the state treasury be exempt from the requirements of chapters 36 (management of state funds) and 38 (deposits of public funds), Hawaii Revised Statutes; and
- (2) Authorizes the Hawaiian Homes Commission to hold, purchase, sell, assign, transfer, or dispose of any securities and investments and any proceeds from investments in which trust fund moneys have been invested.

Your Committee finds that the measure provides the Hawaiian Homes Commission with the necessary flexibility and authority to manage, invest, and reinvest funds to earn a higher return for moneys in the Hawaiian home lands trust fund.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3119, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3119, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2738 Ways and Means on S.B. No. 2965

The purpose of this measure is to change the means of financing as enacted under the General Appropriations Act of 2005 for tourism research activities conducted by the Department of Business, Economic Development, and Tourism.

Specifically, the measure amends Act 178, Session Laws of Hawaii 2005 (Act 178), the General Appropriations Act, to correct an inadvertent error by properly referencing the means of financing for tourism research conducted by the Department of Business, Economic Development, and Tourism as being from moneys obtained through an interdepartmental transfer from the Hawaii Tourism Authority, rather than directly from a special fund.

The measure cures this error in two ways:

- (1) By adding a proviso to Act 178 that directs the Hawaii Tourism Authority to transfer the sum of \$1,327,887 to the Department of Business, Economic Development, and Tourism's Economic Planning and Research Program; and
- (2) By changing the funding source codes within the program ID line item contained in Part II, section 3, item A.6., of Act 178 from "B" for special funds, to "U" for interdepartmental transfer funds.

The sum involved is \$1,327,887, which was designated as a "B" funds, or expenditures from special funds. This measure changes the means of financing code for the appropriation to "U" funds, the code for interdepartmental transfer.

Your Committee has amended this measure by:

- (1) Amending the appropriation for BED 113 - Tourism, to \$120,027,887B, to adjust for the transfer of funds to the Department of Business, Economic Development, and Tourism; and
- (2) 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. 2965, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2965, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2739 (Majority) Ways and Means on S.B. No. 2974

The purpose of this measure is to remove the sunset provision of Part I of Act 58, Session Laws of Hawaii 2004, thereby allowing the Hawaii Tourism Authority (Authority) to:

- (1) Deposit all interest and revenues or receipts derived by the Authority from projects into the tourism special fund;
- (2) Expend up to five per cent of the moneys in the tourism special fund for administrative expenses;
- (3) Appoint a sports coordinator;
- (4) Retain attorneys independent of the Attorney General's Office; and
- (5) Retain supervision of its own accounts and revenues received by the convention center enterprise special fund and the tourism special fund, independent of the Comptroller.

Your Committee finds that granting the Authority this autonomy allows it to operate more efficiently and meet its financial and contractual responsibilities on a timely basis.

Your Committee has amended this measure by:

- (1) Extending the sunset provision of Part I of Act 58, Session Laws of Hawaii 2004, until June 30, 2011; and
- (2) Making technical nonsubstantive changes for purposes of consistency and 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. 2974, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2974, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2740 (Majority) Ways and Means on S.B. No. 3114

The purpose of this measure is to make an appropriation from the Hawaii Tourism Authority's statewide product enrichment program fund and the Department of Health's deposit beverage container deposit special fund for the community work day program.

The community work day program, which is part of the national Keep America Beautiful program, was previously administered by the State's litter control office, established by chapter 339, Hawaii Revised Statutes. However, the office, which existed from 1977 until 1996, was administratively closed due to budgetary constraints. In its time, the office provided a critical, necessary, and strategic service to the public in serving as the focal point to plan, coordinate, and implement litter control efforts.

The appropriation made by this measure is twenty-five per cent from the Hawaii Tourism Authority statewide product enrichment program fund and seventy-five per cent from the Department of Health's deposit beverage container deposit special fund. Your Committee finds that the unsightly nature of litter impacts the tourism industry and warrants an appropriation from the product enrichment program fund. Your Committee further finds that the community work day program yields a great amount of recyclable material and is a recycling education and demonstration project for purposes of the deposit beverage container deposit special fund.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3114, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (English, Inouye, Kokubun, Sakamoto).

SCRep. 2741 Ways and Means on S.B. No. 218

The purpose of this measure is to assist emergency medical technicians who do not have access to a training stipend program to advance in their careers by enrolling in a state-qualified mobile intensive care technician training program.

Specifically, this bill appropriates \$350,000 to the Department of Health to establish an emergency medical technician training stipend program to remedy the shortage of mobile intensive care technicians/paramedics in Hawaii and to assist, through a state-qualified mobile intensive care technician program, ten students per year who are public or private paramedics and who currently do not have access to a training stipend program.

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

- (1) Changing the appropriation to an unspecified amount for the purpose of facilitating further discussion;
- (2) Requiring each county to match funds expended on a stipend for a trainee who is a resident of that respective county; and
- (3) Making technical nonsubstantive amendments for the 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. 218, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 218, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2742 Ways and Means on S.B. No. 2132

The purpose of this measure is to establish a pilot program to provide comprehensive perinatal care to women who have a history of methamphetamine and other substance abuse.

Specifically, the bill establishes, within the John A. Burns School of Medicine at the University of Hawaii, a pilot perinatal clinic that will provide:

- (1) Perinatal care for women on Oahu who have a history of substance abuse;
- (2) Substance use counseling;
- (3) Pediatric care with appropriate developmental interventions;

- (4) Psychiatric care for patients with dual diagnoses; and
- (5) Case management, including social services and coordination with other services.

In addition, the bill appropriates funds in fiscal years 2006-2007 and 2007-2008 to establish the clinic and provide case management services.

Your Committee finds that Hawaii has a serious problem with extensive abuse of methamphetamines by residents. The epidemic of methamphetamine use produces devastating social consequences and can produce especially long-range damaging effects on pregnant women. Your Committee further finds that this bill would provide much-needed comprehensive medical and social services, in a coordinated environment, for pregnant women who have substance abuse issues. Your Committee believes the perinatal clinic's coordinated care will produce healthy mothers and children and will further the public's health, safety, and welfare.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for fiscal year 2006-2007 to an unspecified amount to facilitate further discussions;
- (2) Deleting the amount appropriated for fiscal year 2007-2008; 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. 2132, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2132, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2743 Ways and Means on S.B. No. 2141

The purpose of this measure is to appropriate funds for sexual assault services.

Your Committee finds that funding for services to prevent sexual assault or violence has suffered in recent years due to a lackluster economy and piecemeal funding when available. A recent report highlighted the following consequences of inadequate funding:

- (1) Decrease or lack of core essential services;
- (2) Underreporting of sexually violent crimes;
- (3) Fragmented services that are not comprehensive;
- (4) Inexperienced and untrained staff due to high turnover rates;
- (5) Limited or lack of coordination between government agencies at all levels; and
- (6) Excessive reporting and grant submission costs.

This bill would provide the necessary funds to address these concerns to better assist programs or services to prevent sexual assault. Your Committee, however, would like to study this matter further, and has therefore amended the bill by appropriating an unspecified 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. 2141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2141, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2744 Ways and Means on S.B. No. 2329

The purpose of this measure is to ensure the continuation of the licensing of home- and community-based case management agencies.

Specifically, this bill repeals the sunset date of June 30, 2006, for Act 273, Session Laws of Hawaii 2001, as amended by Act 95 and Act 98, Session Laws of Hawaii 2003, and Act 153, Session Laws of Hawaii 2004, that provided for two demonstration projects for licensing of home- and community-based case management agencies: one for Honolulu and one for the other neighbor islands.

Your Committee believes that the demonstration projects have proven useful and effective and should be made permanent.

As affirmed by the record of votes of the members 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. 2329, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2745 Ways and Means on S.B. No. 2337

The purpose of this measure is to authorize emergency funding to the Department of Health for existing and additional adult mental health services.

Your Committee understands that the proposed funding is required to continue existing services and implement additional services and activities needed to comply with the requirements of the settlement agreement and subsequent orders in *United States v. State of Hawaii*, Civil No., 91-00137.

Your Committee has amended this bill by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2337, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2746 Ways and Means on S.B. No. 2339

The purpose of this measure is to appropriate additional funds for fiscal year 2005-2006 to enable the Department of Health to meet unexpected increased ambulance service costs.

Your Committee understands that additional funds are required by the Department of Health for fiscal year 2005-2006 to enable it to meet unexpected collective bargaining increases negotiated by ambulance service providers statewide, increases in fuel and other ambulance service operating costs, and increases in workload in contracted ambulance billing and collection services. Additionally, an increase in the expenditure ceiling of the Emergency Medical Services Special Fund is required due to cost increases for contracted ambulance services in the counties of Maui and Kauai.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2339, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2339, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2747 Ways and Means on S.B. No. 2340

The purpose of this measure is to make an emergency appropriation for early intervention services for fiscal year 2005-2006.

Your Committee finds that the Department of Health has a critical need for additional funding for early intervention services for the fiscal year 2005-2006. Existing funds will be expended before the end of the fiscal year due to increased costs from expansion in the purchase-of-service programs, as mandated by the Individuals with Disabilities Education Improvement Act of 2004.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2340, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2340, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2748 Ways and Means on S.B. No. 2347

The purpose of this measure is to make an emergency appropriation for the healthy start purchase-of-service programs for home visiting programs.

Your Committee finds that appropriated funds will be expended before the end of the current fiscal year. Supplementary funding is needed in order to allow the Department of Health to fulfill its obligations under part C of the Individuals with Disabilities Education Improvement Act of 2004.

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. 2347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2347, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2749 Ways and Means on S.B. No. 2348

The purpose of this measure is to make an emergency appropriation to prepare the State for a pandemic of a novel strain of avian influenza.

Your Committee is concerned about the recent developments with the avian flu strain that may result in a flu pandemic. Your Committee finds that a flu pandemic has the potential to cause more deaths and illness than any other public health threat in Hawaii. With this concern in mind, your Committee reviewed the Department of Health's request for an emergency appropriation in fiscal year 2006-2007 in order to prepare for a flu pandemic.

Upon careful review of the budget submitted by the Department, your Committee recommends an appropriation of \$11,000,000 in general funds to be provided to the Department to procure and maintain local stockpiling of antiviral medications. Although your Committee still has concerns that current antiviral medications may not stop a pandemic flu, there are no other known preventive measures at this point in time. Your Committee is aware that supplies of antiviral medications are being stockpiled by the federal government as announced by the United States Department of Health and Human Service on March 1, 2006.

These funds would also be used to purchase the necessary equipment as well as to provide the support necessary to respond to a flu pandemic in Hawaii.

Accordingly, your Committee amended this measure by:

- (1) Changing the amount of the appropriation from \$15,000,000 to \$11,000,000; and
- (2) Making technical nonsubstantive changes for purposes of consistency and 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. 2348, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2348, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2750 Ways and Means on S.B. No. 2364

The purpose of this measure is to prohibit health insurers from denying coverage of a patient's injury that is attributable to the patient's use of intoxicants or narcotics.

Furthermore, this measure establishes a pilot program for screening, brief intervention, referral, and substance abuse treatment at hospital emergency rooms.

Your Committee finds that this two-pronged approach to combating alcohol and substance abuse will enable victims to be covered for medical services while receiving rehabilitative services to treat their addictions.

Your Committee has amended this measure by changing the appropriation to an unspecified amount for the purpose of continuing discussion, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2364, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2364, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2751 Ways and Means on S.B. No. 2502

The purpose of this measure is to appropriate funds to continue the donated dental services program.

Your Committee finds that the donated dental services program provides free, comprehensive dental treatment to people who are elderly, disabled, or medically compromised and need extensive dental treatment. The program utilizes volunteer dentists who use their offices and donate dental care as well as volunteer dental laboratories that donate dental supplies. Your Committee finds that the program warrants continued financial support.

Your Committee has amended this measure by changing the appropriation to an unspecified amount, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2502, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2752 Ways and Means on S.B. No. 2504

The purpose of this measure is to require the counties to administer the disabled persons parking program and to require the State to reimburse the counties for certain costs.

Your Committee finds that, presently, the counties have the option of administering the disabled parking program and participating counties are reimbursed for certain program costs by the State.

This bill would require all counties to administer a disabled parking program and require the State to reimburse the counties at a rate of \$12 per program applicant.

Your Committee finds that this bill will ensure the administration of the disabled parking program statewide and reimburse the counties a reasonable amount for their efforts.

Your Committee has amended the bill by:

- (1) Removing references to certain fees that may be charged by the counties for the disabled parking program, since the federal courts have ruled that charging a disabled person a fee is a violation of the Americans with Disabilities Act; and
- (2) Including appropriations of unspecified amounts to the counties for purposes of furthering 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. 2504, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2504, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2753 Ways and Means on S.B. No. 2505

The purpose of this measure is to appropriate funds to extend adolescent school-based substance abuse treatment programs to all middle and intermediate schools.

Your Committee finds that students who are dependent on drugs may not achieve their highest potential and are at great risk of academic failure. Your Committee further finds that making a balanced system of prevention, intervention, and treatment available to students will serve to strengthen student-teacher-counselor relationships and help students achieve success in school and beyond.

Your Committee amended this measure by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2505, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2505, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2754 Ways and Means on S.B. No. 2577

The purpose of this measure is to appropriate funds to the Waianae Coast Comprehensive Health Center to enable it to maintain twenty-four hour emergency room service.

The Waianae Coast Comprehensive Center is the lead agency for disaster response on the Waianae Coast. It also is the only medical facility on the Waianae Coast area that is equipped to handle emergencies, including the stabilization of persons with traumatic injuries or conditions. Thus, its emergency room is one of the most heavily used emergency rooms on Oahu, providing services not only to Waianae Coast residents but visitors as well.

Your Committee understands that the Waianae Coast Comprehensive Center has been impacted by increased costs, including increased insurance costs and nursing salaries. The proposed funding will enable the Center to operate its emergency room from midnight to 8:00 a.m., to provide twenty-four hour emergency service.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2577, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2577, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2755 Ways and Means on S.B. No. 2630

The purpose of this measure is to appropriate funds to the Department of Health for the continued operation of developmental disabilities domiciliary homes and apartment complexes for persons with developmental disabilities.

Your Committee finds that previous legislation provided funding for fiscal year 2005-2006, but none for fiscal year 2006-2007. Continued financial support for these facilities is needed to retain viable residential options for the developmentally disabled.

Your Committee has amended this measure by leaving the appropriation amount unspecified in order to facilitate further discussion of the 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. 2630, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2630, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2756 Ways and Means on S.B. No. 2725

The purpose of this measure is to continue the provision of necessary services and support to prevent child abuse in Hawaii by appropriating funds to the Healthy Start Program.

Your Committee finds that the Healthy Start Program uses home visits to help high-risk families change abusive and neglectful parenting behaviors and learn positive, nonviolent parenting techniques. Healthy Start provides family support, training, and modeling of positive parenting skills to help families promote their child's healthy development and to reduce the risk for child abuse or neglect.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate further discussions; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2725, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2725, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2757 Ways and Means on S.B. No. 2727

The purpose of this measure is to allow the neurotrauma special fund to be used for direct services to assist individuals with neurotraumatic injuries.

The bill also requires the use of the special fund to obtain federal and private grant matching funds.

Your Committee finds that Act 160, Session Laws of Hawaii 2002, recognized the needs of individuals who suffer from the physical, cognitive, and behavioral consequences of neurotrauma. The Act established the neurotrauma special fund to:

- (1) Provide for neurotrauma education;
- (2) Assist individuals and families to identify and obtain access to services; and
- (3) Create a neurotrauma registry within the State.

Although the Legislature contemplated using the special fund for direct service purposes at the time, the matter was deferred until more information was available.

Since the enactment of Act 160, your Committee finds that the special fund has accumulated nearly \$1,000,000 in revenue and a number of documented cases reveal individuals with neurotraumatic injuries who are unable to obtain adequate treatment and services.

Based on this new information, your Committee finds that this bill will provide the necessary funds through the neurotrauma special fund to assist individuals with neurotraumatic injuries.

Your Committee has amended the bill by making technical 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. 2727, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2727, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2758 Ways and Means on S.B. No. 2729

The purpose of this measure is to appropriate funds to establish a dental care student loan repayment program within the Department of Health.

Under the measure, the program will repay up to a maximum of three years of student loan obligations incurred by licensed dentists who agree to practice in underserved communities.

Your Committee finds that this measure will provide significant incentives and create practice opportunities in attracting dentists to areas of need.

As affirmed by the record of votes of the members 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. 2729, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2759 (Majority) Ways and Means on S.B. No. 2764

The purpose of this measure is to establish a trauma system special fund with a dedicated source of revenue to support the continuing development and operation of a comprehensive state trauma system, including the subsidization of documented uncompensated costs incurred by hospitals to provide trauma services and maintain on-call physicians to provide trauma care.

Your Committee understands that hospitals and physicians who provide trauma care have been absorbing significant uncompensated costs for many years. While reimbursements for trauma care from health plans, managed care, Medicare, Medicaid, and safety net programs for the uninsured have dramatically decreased, the costs of delivering trauma care have consistently increased. In Hawaii, The Queen's Medical Center incurs an annual loss of about \$6,000,000 in the trauma care area. This is of concern because The Queen's Medical Center is the only trauma center in the State.

Uncompensated trauma care is also one of the primary reasons for the shortage of physicians who are willing to be on call to trauma centers. A shortage of on-call physicians jeopardizes a trauma team's ability to provide appropriate trauma care, thus exposing patients to increased risk of harm.

Your Committee finds that several states have dedicated sources of funding for their trauma funds, including surcharges tacked on to fees for drivers' licenses, motor vehicle registration renewals, and the sale, lease, or transfer of motor vehicles.

Your Committee has amended this measure by:

- (1) Changing the dedicated funding amount from annual motor vehicle registration fees to an unspecified amount to facilitate further discussion;
- (2) Changing the appropriation to the trauma system special fund to an unspecified amount to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, 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. 2764, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2764, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2760 Ways and Means on S.B. No. 2898

The purpose of this measure is to establish a Chief Procurement Officer position for the Hawaii Health Systems Corporation.

Your Committee finds that Act 216, Session Laws of Hawaii 2004, repealed the Hawaii Health Systems Corporation's exemption from the requirements of the State's Procurement Code, chapter 103D, Hawaii Revised Statutes. Due to inherent transitional difficulties experienced after the repeal of the Hawaii Health Systems Corporation's procurement exemption, incidents of delayed procurement or no procurement of essential medical supplies and equipment occurred. Your Committee is concerned that such occurrences could jeopardize patient care and safety. Consequently, your Committee believes that providing the Hawaii Health Systems Corporation with its own Chief Procurement Officer could reduce procurement delays.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purpose 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. 2898, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2898, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2761 (Majority) Ways and Means on S.B. No. 2961

The purpose of this measure is to discourage smoking, especially by young people, by increasing the tax on cigarettes.

This measure also allocates the additional revenues generated by the increased tax to programs for the prevention and treatment of cancer caused by smoking as follows:

- (1) Fifty per cent to the Cancer Research Center of Hawaii for research and operating expenses;
- (2) Twenty-five per cent to the Department of Health for health promotion and disease prevention programs under section 328L-4(2), Hawaii Revised Statutes; and
- (3) Twenty-five per cent to the Hawaii Tobacco Prevention and Control trust fund under section 328L-5, Hawaii Revised Statutes.

Your Committee finds that tobacco use is responsible for over one thousand one hundred deaths annually in Hawaii and costs the State over \$525,000,000 in health care and other associated costs per year. Smoking is the largest preventable cause of morbidity and mortality in the nation.

Your Committee further finds that increasing the tax on cigarettes is an effective deterrent to smoking, especially for young people, and an incentive for users to quit. Dedicating fifty per cent of the increase in the cigarette tax to the Cancer Research Center of Hawaii will provide the funding necessary to enable the Center to expand into a state-of-the-art comprehensive cancer research and treatment center.

Additionally, your Committee finds that earmarking twenty-five per cent of the increase to the Department of Health for promotion and disease prevention programs and twenty-five per cent to the Hawaii Tobacco Prevention and Control trust fund will advance the State's initiatives for a healthier Hawaii, including assistance to help smokers quit smoking.

Your Committee has amended this measure 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. 2961, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2961, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 2 (Slom, Trimble). Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2762 Ways and Means on S.B. No. 3146

The purpose of this measure is to ensure the public health and safety of the residents of rural Oahu.

Specifically, this bill appropriates \$600,000 as a grant-in-aid to the Department of Health to contract for intra-island only roto-wing aeromedical services for rural Oahu; provided that the City and County of Honolulu matches the appropriated funds.

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

- (1) Correcting the reference to "grant-in-aid" pursuant to "chapter 42F," Hawaii Revised Statutes (on page 2, line 13) to "purchase of services" pursuant to "chapter 103F", Hawaii Revised Statutes;
- (2) Clarifying the language requiring matching funds from the City and County of Honolulu (page 3, line 7);
- (3) Changing the appropriation to an unspecified amount;

- (4) Inserting the contents of S.B. No. 2404, S.D. 1, that appropriates an unspecified amount as a grant-in-aid to the County of Hawaii for dedicated emergency medical service personnel to staff the aeromedical helicopter unit on the island of Hawaii; provided that the appropriated amount is matched by the County of Hawaii;
- (5) Renumbering the sections of the bill accordingly; and
- (6) 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. 3146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3146, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Hooser, Kanno, Kim, Sakamoto).

SCRep. 2763 (Majority) Ways and Means on S.B. No. 3224

The purpose of this measure is to allow individuals who participate in all Hawaii Medicaid medical plans to have open access to mental health medications.

Specifically, this bill removes the requirement to consult with a psychiatrist for a recipient's access to psychotropic medication. Furthermore, this bill applies to all Hawaii Medicaid medical plans the:

- (1) Prohibition against restrictions to access to psychotropic medication; and
- (2) Exemption from the need for pre-authorization for access to psychotropic medication.

Upon further consideration, your Committee has amended this bill by making several technical amendments to clarify that the intent of the bill is to extend the benefits of access to psychotropic medication to all Hawaii Medicaid medical plans.

As affirmed by the record of votes of the members 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. 3224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3224, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 2 (Slom, Trimble). Excused, 5 (English, Fukunaga, Hooser, Kanno, Sakamoto).

SCRep. 2764 (Majority) Ways and Means on S.B. No. 3270

The purpose of this measure is to provide cost-effective care for Hawaii residents who are uninsured, while at the same time ensuring that the community health center system remains financially viable and stable in the face of a growing population of uninsured.

Specifically, this bill statutorily requires that federally qualified health centers and rural health clinics be reimbursed in accordance with relevant sections of the Social Security Act and that the services of these centers and clinics shall remain mandatory services pursuant to the Social Security Act. This bill also provides for adjustment of reimbursement rates if costs exceed an unspecified percentage for various changes relating to intensity, duration, or amount of service provided, facilities used, regulatory requirements, and other extraordinary circumstances. Finally, this bill appropriates an unspecified amount to the Department of Health to assist nonprofit, community-based health care providers for direct medical care for the uninsured, which may be distributed on a "per visit" basis, taking into consideration the need on all islands.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purpose 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. 3270, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3270, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2765 Ways and Means on S.B. No. 3272

The purpose of this measure is to appropriate funds to reimburse the counties for the cost of administering programs for parking for disabled persons.

Your Committee finds that, pursuant to federal law, the administration of programs for parking for disabled persons is a state responsibility. This responsibility, however, has been delegated to the counties under part III of chapter 291, Hawaii Revised Statutes.

Your Committee also finds that the counties have issued approximately 25,559 removable windshield placards and temporary removable windshield placards in fiscal year 2004-2005 to qualified disabled persons. Additionally, under rulings by the federal

courts, the imposition of a fee on qualified persons with disabilities is an impermissible surcharge under the Americans with Disabilities Act. Thus, the counties have been unable to collect a fee for administering the program.

The legislature further finds that the State should reimburse the counties for the costs related to administering these programs. The state reimbursement to the counties in fiscal year 2005-2006 was \$105,300. However, based upon a unit cost of \$10 per placard, reimbursement to the counties should have been \$255,590.

This measure reimburses the counties for the remaining balance of the cost of administering programs for parking for disabled persons.

Your Committee has amended the measure by:

- (1) Changing the funding date to fiscal year 2006-2007 and changing the effective date of the measure to July 1, 2006;
- (2) Changing the appropriations to unspecified amounts for the purpose of furthering discussion;
- (3) Adding boilerplate language related to the State's share of mandated programs under article VIII, section 5, of the state constitution; and
- (4) Making technical 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. 3272, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3272, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2766 Ways and Means on S.B. No. 3283

The purpose of this measure is to develop and maintain a statewide comprehensive health care workforce map and database.

Specifically, this bill appropriates \$500,000 to the State Health Planning and Development Agency to develop and maintain a statewide comprehensive health care workforce map and database.

Upon further consideration, your Committee has amended this bill to change the appropriated amount to an unspecified amount for the purpose of facilitating further 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. 3283, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3283, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2767 Ways and Means on S.B. No. 2150

The purpose of this measure is to provide financial support for the repair and maintenance of small boat harbors.

Specifically, this bill dedicates ten per cent of the general excise tax revenues received from the direct revenues generated by the ocean recreation industry during the preceding fiscal year to be deposited into the boating special fund. The bill defines "revenues generated by the ocean recreation industry" as including taxable revenues generated by a list of specific businesses.

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

- (1) Changing the percentage of general excise tax revenues received from the direct revenues generated by the ocean recreation industry to be deposited into the boating special fund from ten per cent to an unspecified percentage;
- (2) Making a conforming amendment to law that allows the boating special fund to accept deposits from the general excise tax remittances;
- (3) Changing the effective date of the Act from July 1, 2006, to July 1, 2060; and
- (4) Making technical nonsubstantive amendments for the purpose 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. 2150, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2150, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2768 Ways and Means on S.B. No. 2542

The purpose of this measure is to assist the business community, nonprofit organizations, and other entrepreneurs to foster community-based economic development of products and services demonstrating and embracing Hawaii's diversified economy.

Specifically, this bill makes an appropriation of \$500,000 to provide grants under the Hawaii Community-based Economic Development Technical and Financial Assistance Program, to be expended by the Department of Business, Economic Development, and Tourism. The program provides business counseling, financial backing, and general support to community-based businesses, nonprofit organizations, and other entrepreneurs for the purpose of economic development.

Upon further consideration, your Committee has amended this bill by changing the appropriated amount of \$500,000 to an unspecified amount for the purpose of facilitating 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. 2542, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2542, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kanno, Kokubun, Hemmings).

SCRep. 2769 Ways and Means on S.B. No. 2709

The purpose of this measure is to make an appropriation to allow the Department of Business, Economic Development, and Tourism to establish and maintain on the Internet a comprehensive statewide list of all projected construction projects by state, federal, and county agencies.

Your Committee finds that this list will provide an oversight mechanism to provide long-term forecasting of construction projects and ensure the most efficient commitment of state resources.

Your Committee has made technical nonsubstantive changes for consistency and 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. 2709, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2709, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kanno, Kokubun, Hemmings).

SCRep. 2770 Ways and Means on S.B. No. 2985

The purpose of this measure is to make the State's enterprise zone program more sensitive to the unique problems that face agricultural businesses located within an enterprise zone.

The measure accomplishes this by:

- (1) Establishing that an agricultural business shall remain eligible for tax incentives in the event of force majeure;
- (2) Allowing an agricultural business to meet annual gross revenue requirements if the business is unable to meet annual full-time employee requirements;
- (3) Amending the definition of "full-time employee" by including leased employees and employees under a joint employer relationship; and
- (4) Prohibiting a taxpayer claiming a tax credit or exemption under chapter 209E, Hawaii Revised Statutes, from claiming any other identical tax credit or exemption.

Your Committee finds that agriculture is a vital component of the State's economy because it provides the State with export products, a diversity of employment opportunities, a stage for tourism, and an opportunity for land and water stewardship. The State's enterprise zone program provides business incentives that will encourage agricultural activity within economically depressed areas. Unfortunately, the employment requirements to qualify for this program discourage many agricultural businesses from applying, since, by nature, agricultural employment is dependent on local and global markets, seasonal crops, labor availability, and weather conditions.

Your Committee finds that it is difficult for agricultural businesses to meet the existing employment requirements of the State's enterprise zone program and that agricultural businesses need the enterprise zone program to recognize their unique situation in order to participate in the program. Your Committee believes that amending chapter 209E, Hawaii Revised Statutes, to allow favorable tax incentives and easier employment qualifications will encourage more agricultural businesses to qualify and apply for the State's enterprise zone program.

Your Committee has amended the measure by:

- (1) Changing the effective date to facilitate further discussion;
- (2) Repealing obsolete statutory language; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2985, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2985, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Inouye, Kanno, Kokubun, Hemmings).

SCRep. 2771 (Majority) Ways and Means on S.B. No. 3110

The purpose of this measure is to make an appropriation for the purchase of Waiehu Beach Park on Maui.

Presently, Waiehu Beach Park is privately owned by Wailuku Agribusiness but has been used for decades by the beach-going public. Wailuku Agribusiness has offered to sell Waiehu Beach Park to the County of Maui for \$750,000; however, the county has declined its offer. This appropriation to the Department of Land and Natural Resources will ensure the public's continued use of Waiehu Beach Park.

Your Committee has amended this measure by:

- (1) Clarifying that once Waiehu Beach Park is purchased, it shall only be used for beach park purposes;
- (2) Leaving the amount appropriated unspecified to facilitate further discussion on this matter; and
- (3) Making technical nonsubstantive changes for consistency and 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. 3110, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3110, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Trimble). Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 2772 Ways and Means on S.B. No. 2185

The purpose of this measure is to appropriate funds to develop community-based, family-centered models throughout the State.

The measure also appropriates funds for the Hawaii Even Start literacy program.

Your Committee finds that community-based, family-centered models exemplify the cooperation between public and private entities to deliver coordinated services to a target population. These models provide families with a community-based, one-stop resource center for information and referrals, volunteer programs, counseling, classes, and family activities.

The appropriation provided by this measure would ensure the availability of community-based models where people feel comfortable asking for assistance and will also support the needs of individuals and families.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2185, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Sakamoto, Hemmings).

SCRep. 2773 Ways and Means on S.B. No. 2189

The purpose of this measure is to appropriate funds for the Commission on Fatherhood.

Your Committee finds that Act 156, Session Laws of Hawaii 2003, established the Commission on Fatherhood to promote healthy family relationships between parents and children. The Commission has since developed goals and objectives to:

- (1) Complete a statewide analysis of service provision to fathers;
- (2) Develop policy recommendations on best practices for serving fathers via state agencies;

- (3) Recommend legislation that facilitates the involvement of fathers in the lives of children;
- (4) Issue an annual report on the status of fatherhood issues in Hawaii;
- (5) Operate public awareness campaigns about the importance of involving fathers in the lives of children;
- (6) Provide information and resources related to effective fathering and the parenting support;
- (7) Present the annual Parent-Friendly Business Award; and
- (8) Administer appropriated funds and award grants to deserving organizations.

This measure would provide the necessary funds to allow the Commission to hire an executive director and staff to accomplish its goals and objectives.

Your Committee has amended the measure by:

- (1) Changing the appropriation to an unspecified amount for the purpose of furthering discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2189, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2189, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2774 Ways and Means on S.B. No. 2323

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

Your Committee finds that this measure will ensure that the State will receive the maximum possible federal funds for services provided by the Judiciary to children under the care of the State's District and Family Courts.

Your Committee has amended this measure by:

- (1) Clarifying at page 6, line 14 that the report shall describe the amount of additional federal funding received;
- (2) Changing its effective date to July 1, 2060, to facilitate further discussion; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2323, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2775 Ways and Means on S.B. No. 2333

The purpose of this bill is to make an emergency appropriation to continue the general assistance program.

Specifically, the bill makes an emergency appropriation of \$416,718 to prevent the reduction of general assistance payments in the fourth quarter of fiscal year 2005-2006.

Your Committee finds that this bill will ensure that general assistance payments are maintained at \$418 per month for each eligible recipient through the end of fiscal year 2005-2006. Without this emergency appropriation, the Department of Human Services would be unable to provide general assistance payments to disabled general assistance recipients after April, 2006. To continue payments after that period would result in a shortfall of more than \$416,000. Your Committee believes that this bill is necessary to assist certain disabled individuals in maintaining their health and well-being.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2333, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2776 Ways and Means on S.B. No. 2334

The purpose of this measure is to make an emergency appropriation to the Hawaii Youth Correctional Facility to ensure that funding for its operations is maintained through the end of the 2005-2006 fiscal year.

Your Committee finds that immediate action must be taken to fund improvements at the Hawaii Youth Correctional Facility, especially in light of the comprehensive agreement reached by the United States Department of Justice and the State to address serious concerns about the youth facility.

Your Committee has amended this measure by making technical, nonsubstantive amendments 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. 2334, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2334, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2777 (Majority) Ways and Means on S.B. No. 2461

The purpose of this measure is to provide grants to Hale Mahaolu, Maui Economic Opportunity, Inc., and Hale Makua to assist these entities in their activities.

Specifically, this bill appropriates:

- (1) \$1,150,000 to Hale Mahaolu to finance phase one of the Hale Mahaolu Ehiku affordable housing development on Maui and \$96,000 to fund its personal care program for a total of \$1,246,000;
- (2) \$3,500,000 to Maui Economic Opportunity, Inc., for the purchase of a new base yard site and for plans, design, and construction of a permanent transit facility on the island of Maui; and
- (3) \$25,000 to Hale Makua to fund phase one of the federally mandated fire sprinkler system in the Hale Makua-Wailuku facility.

Upon further consideration, your Committee has amended this measure to change all appropriated amounts to unspecified amounts for the purpose of facilitating further discussion. 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2461, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2778 Ways and Means on S.B. No. 2474

The purpose of this measure is to provide support and assistance to former foster children between eighteen and twenty-four years old who are at-risk for unemployment, homelessness, and other negative outcomes.

Specifically, the bill appropriates funds to establish a program to assist former foster children in the areas of job placement, skills training, education, and housing.

Your Committee finds that the transition from foster care to adulthood is a very difficult path for many former foster care individuals. Without the continuation of support services that they received from foster parents and state programs when they were younger, many of these young adults face low odds for a successful life of achievement as an adult.

Your Committee has amended the bill by:

- (1) Changing the amount appropriated to an unspecified amount to promote continuing discussion on the matter; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2474, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2779 Ways and Means on S.B. No. 2507

The purpose of this measure is to expand enrollment in the State's QUEST program.

Specifically, this bill:

- (1) Requires the Department of Human Services to submit a request to the Centers for Medicare and Medicaid Services to amend the state waiver to allow Hawaii to remove its QUEST enrollment cap;
- (2) Prohibits the Department of Human Services from imposing any cap on enrollment in its QUEST program and requires it to enroll all otherwise eligible individuals;
- (3) Requires the Department of Human Services to adopt rules to remove the cap; and
- (4) Appropriates an unspecified amount to cover the increase in enrollment.

Your Committee believes that removing the cap on enrollment will help to provide health coverage to a large number of otherwise eligible individuals in the State.

Upon further consideration, your Committee has amended this bill by clarifying that the Department of Human Services shall remove the cap on enrollment only after securing the necessary amendment to its state waiver.

As affirmed by the record of votes of the members 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. 2507, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2507, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hooser, Sakamoto).

SCRep. 2780 Ways and Means on S.B. No. 2563

The purpose of this measure is to provide support for the Sage PLUS program.

Specifically, this measure appropriates funds to establish Sage PLUS specialist positions for Kauai, Maui, and Hawaii counties and for operating costs to expand and support the Sage PLUS program on the neighbor islands.

The Sage PLUS program is currently housed and staffed only on Oahu. The program provides services to approximately 186,000 residents receiving Medicare and Medicaid benefits. Volunteers provide limited service on the neighbor islands for residents of Hilo, Kona, Maui, and Kauai, but there is no office or staff support available to them.

Your Committee believes that it is critical to have a staff person situated on each island to ensure that necessary information and assistance about benefits, options, and rights are provided in a timely manner by a knowledgeable person.

Your Committee also finds that the Oahu Sage PLUS office is staffed by two employees whose positions are scheduled to be converted from exempt to civil service status during this calendar year. Due to the complex nature of Medicare and Medicaid benefits, especially in light of the recent implementation of the federal Medicare Part D drug plan, it is imperative that experienced personnel remain with the Sage PLUS program. Your Committee is concerned that incumbent employees may suffer a loss of seniority, pay, and other benefits when these positions are converted to civil service, unless proper safeguards are in place. Your Committee believes that these employees should not be penalized simply because their positions are being converted from one employment classification to another.

Accordingly, your Committee has amended the measure by inserting a provision that safeguards the salary and benefits of these employees. Your Committee has also amended the measure by changing the specific dollar amounts appropriated to unspecified amounts to promote continuing discussion, 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. 2563, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2563, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2781 (Majority) Ways and Means on S.B. No. 2617

The purpose of this measure is to appropriate moneys from the temporary assistance for needy families program funds for unspecified programs that fall within at least one of the four purposes of the temporary assistance for needy families program.

Specifically, this bill appropriates:

- (1) \$27,000,000 for employment assistance programs;
- (2) \$11,000,000 for non-school hour programs for children and youth;
- (3) \$7,040,000, and authorizes the transfer of up to \$9,800,000 to the social services block grant, for child welfare services and programs;
- (4) An unspecified amount for housing costs to address homelessness and caring for children in their own homes;
- (5) \$19,800,000 for child care services and authorizes the transfer of up to \$19,800,000 to the child care development block grant;
- (6) \$57,000,000 for cash assistance benefits for eligible temporary assistance for needy families program recipients; and
- (7) \$11,000,000 for operating costs, including personnel, systems, and administrative expenses.

Upon further consideration, your Committee has amended this measure by changing all appropriated amounts to unspecified amounts for the purpose of facilitating further discussion.

Your Committee has also made technical nonsubstantive amendments for the 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. 2617, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2617, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Hemmings).

SCRep. 2782 Ways and Means on S.B. No. 2713

The purpose of this measure is to keep our seniors safe by appropriating funds to the Executive Office on Aging for the expansion of the Kupuna ID Project.

Specifically, this measure appropriates money to the Executive Office on Aging to enable the SageWatch program to operate the Kupuna ID Project as part of its outreach activities, including the hiring of two individuals.

Initially, the Kupuna ID Project was started on a volunteer basis by the Department of the Attorney General and its law enforcement partners. The project helps our seniors by providing them with an identification card that aids emergency personnel in identifying a lost or disoriented senior citizen and contacting the appropriate party. Senior citizens have expressed their support for the free cards and your Committee believes that the Kupuna ID Project is a worthwhile program that should be continued.

Your Committee has amended this measure by:

- (1) Clarifying that the positions for which funding is sought are full-time;
- (2) Changing the amount appropriated to an unspecified amount to further discussion on this issue; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2713, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2713, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2783 Ways and Means on S.B. No. 2724

The purpose of this measure is to extend the continuum of services previously provided to special needs children with developmental delays from birth to age three, to those children from age three up to age five.

Specifically, this bill requires the Department of Health to develop a statewide, coordinated, multidisciplinary program with a continuum of services to meet the needs of children ages three to five years with developmental delays, including Down syndrome, whose developmental age is less than their chronological age. Parents are given the choice to opt for services provided by the Department of Education rather than the Department of Health. The bill further appropriates an unspecified amount to the Department of Health to establish this program of services.

Upon further consideration, your Committee has amended this bill by delaying the effective date of the program to July 1, 2007, and by making 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2724, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2724, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2784 (Majority) Ways and Means on S.B. No. 2861

The purpose of this measure is to improve the health of public school students.

Specifically, this bill improves the efficiency and effectiveness of the collection and disbursement of generated revenue, including federal moneys, to support the provision of medicaid-eligible health services for students in public schools by the Department of Education.

This bill creates the federal revenue maximization program revolving fund, to be administered by the Department of Education, and specifies the moneys that make up the fund.

Upon further consideration, your Committee has amended this bill to clarify that moneys from the revolving fund shall be expended by the Department of Education for medicaid-eligible services provided by the Department. Your Committee also made technical nonsubstantive amendments for the 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. 2861, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2861, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2785 Ways and Means on S.B. No. 3003

The purpose of this measure is to enable more people to qualify for the state pharmacy assistance program.

Specifically, this measure increases allowable income and repeals the asset test for purposes of program eligibility. The Department of Human Services is required to provide enrollees with enrollment assistance identifying the medicare prescription drug plans that best meet the enrollee's needs. The measure also repeals rebate-contingent funding limitations. In addition, the measure clarifies the benefits of the state pharmacy assistance program by specifying individual benefits.

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

- (1) Changing the income eligibility from at or below one hundred fifty per cent of the federal poverty level to an unspecified percentage;
- (2) Deleting the requirement for the Department of Human Services to provide outreach, counseling, and enrollment assistance;
- (3) Requiring the Department to pay for prescription drugs that are not on the medicare prescription drug formulary; and
- (4) Making technical nonsubstantive amendments for the 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. 3003, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3003, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Hemmings).

SCRep. 2786 Ways and Means on S.B. No. 3202

The purpose of this measure is to require the Department of Human Services to provide comprehensive dental care coverage to Medicaid and QUEST recipients.

Furthermore, this measure appropriates funds to provide comprehensive dental care coverage for Medicaid and QUEST recipients twenty-one years of age or older.

Your Committee finds that under a current administrative practice, the only recipients of Medicaid and QUEST who receive full dental coverage are recipients under twenty-one years of age. Recipients twenty-one years of age or older are eligible to receive care, but only for dental emergencies. This measure will ensure fairness and equity in this administrative practice by enabling recipients twenty-one or older to also receive full dental coverage.

As affirmed by the record of votes of the members 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. 3202, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2787 (Majority) Ways and Means on S.B. No. 3205

The purpose of this measure is to require medical assistance programs administered by the Department of Human Services to cover chiropractic services for the three-year fiscal period 2006-2009.

This measure also requires an impact report to the Legislature in 2009.

Your Committee understands that the share of state funding for the additional coverage for chiropractic services depends on federal approval of the state plan amendment for the additional coverage.

Your Committee has amended this measure by changing the effective date to July 1, 2060, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3205, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3205, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2788 Ways and Means on S.B. No. 3215

The purpose of this measure is to support the work of the children of incarcerated parents task force.

More specifically, the measure extends the term of the task force until 2008 and appropriates funds for administrative costs and travel expenses incurred by members of the task force.

Your Committee finds that extending the term of the task force is necessary to achieve the objectives as established in Senate Concurrent Resolution No. 128, Regular Session 2005.

Your Committee has amended this measure by changing the appropriation to an unspecified amount to ensure further discussion. Your Committee has also made technical nonsubstantive amendments for clarity, 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. 3215, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3215, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2789 Ways and Means on S.B. No. 3229

The purpose of this measure is to help elderly and disabled residents avoid premature and costly institutionalization by providing assistance with essential housekeeping and related activities that they can no longer perform. Specifically, this measure appropriates funds for the Department of Human Services' chore services programs.

Your Committee finds that supporting and expanding the chore services program will provide high quality elder care and services to more of Hawaii's elderly and disabled populations.

Your Committee has amended this measure by changing the appropriation to an unspecified amount to facilitate 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. 3229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3229, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2790 Ways and Means on S.B. No. 3247

The purpose of this measure is to increase the state supplemental payment for adult residential care providers.

Specifically, this bill clarifies that the Director of Human Services shall determine the rate of payment for domiciliary care, including developmental disabilities domiciliary homes, developmental disabilities adult foster homes, community care foster family homes, and developmental disabilities apartment complexes. This bill also increases the state supplemental payment from \$521.90 to \$621.90 for developmental disabilities apartment complexes and community care foster family homes in addition to type I adult residential care homes, licensed developmental disabilities domiciliary homes, and adult foster homes. The state supplemental

payment is also increased for type II adult residential care homes from \$629.90 to \$729.90. Finally, this bill requires the Department of Human Services to authorize payments for residents receiving Supplemental Security Income in type I and II adult residential care homes when appropriated state funds in a specific fiscal year are not fully expended on a timely basis to meet the Department's maintenance of effort agreement with the Social Security Administration, and allows the Department to determine the rate of payment to ensure compliance.

Upon further consideration, your Committee has amended this bill by changing the increased state supplemental payments from \$621.90 and \$729.90 to unspecified amounts in order to facilitate further discussion. Your Committee has also made technical nonsubstantive amendments for the 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. 3247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3247, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2791 Ways and Means on S.B. No. 3252

The purpose of this measure is to coordinate and develop family caregiver support services and policies statewide.

This measure also expands kupuna care services, the Executive Office on Aging's statewide long-term care program.

Your Committee understands that eligibility requirements, service complexity, and service fragmentation are the top barriers to coordinating caregiver support programs. This measure will help to coordinate access to services across all care settings for Hawaii's family caregivers and their loved ones.

Your Committee has amended this measure by:

- (1) Changing all appropriations to unspecified amounts to facilitate further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3252, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3252, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2792 (Majority) Ways and Means on S.B. No. 3253

The purpose of this measure is to establish a joint legislative committee on family caregiving.

Your Committee understands that families, rather than institutions, are the primary providers of long-term care in this State. Sixty-five per cent of these family caregivers are employed. Further, as a result of cost-containment policies and practices, people with healthcare needs are being discharged from hospitals and other care facilities with complex health care requirements. This imposes greater responsibilities upon individuals and families to be well-informed about long-term care planning, financing, and the options available to assist them in their caregiving tasks.

Your Committee has amended this measure by:

- (1) Changing the proposed appropriation to unspecified amounts to facilitate further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3253, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3253, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2793 (Majority) Ways and Means on S.B. No. 3274

The purpose of this measure is to reduce the burden on those who give long-term care to family members.

Specifically, this bill creates a \$1,000 refundable caregiver tax credit for eligible taxpayers. In order to qualify for the tax credit, the eligible care recipient must have lived in the caregiver's home for more than six months of the taxable year or have received more than fifty-one per cent of the care recipient's financial support from the caregiver.

Your Committee believes that this tax credit is very important to those who provide financial support and who provide care for family members who require either substantive supervision due to a cognitive impairment or substantial assistance with at least two activities of daily living.

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

- (1) Changing the term “eligible care recipient” to “qualified care recipient” on page 1, line 17, to comport with Senate Standing Committee Report No. 2222, which stated that a definition of “qualified care recipient” was added by the S.D. 1 draft when, in fact, the definition added was mislabeled as “eligible care recipient”;
- (2) Deleting the definitions of “caregiver” and “care recipient” as being redundant and confusing;
- (3) Replacing all references to “caregiver” and “individual” (when referring to the caregiver) with the term “eligible taxpayer” since it is the latter who is claiming the credit;
- (4) Replacing all references to “care recipient” with the term “qualified care recipient” since no tax credit can be claimed unless the care recipient meets the qualifications as defined in the bill;
- (5) Changing “more than fifty-one per cent” of financial support to “more than fifty per cent” (on page 2, line 6) because the clear intent is “majority”, which is expressed as either “more than half” or “more than fifty per cent” but not “more than fifty-one per cent”;
- (6) Deleting the “or” (on page 2, line 5) and restoring the bill’s original intent to require both provision of a home for living for more than six months of the taxable year and more than fifty per cent of financial support for the qualified care recipient. Your Committee notes that the change in the S.D. 1 appears to be inadvertent, as Senate Standing Committee Report No. 2222 did not indicate any specific intent to reduce the requirement to just either one of the two;
- (7) Clarifying (on page 3, lines 1-3) that the eligible taxpayer must actually engage in the provision of care, by referencing this care to the specific needs of the qualified care recipient in paragraph (3)(A) or (B) in the definition of qualified care recipient; and
- (8) Making technical nonsubstantive amendments for the 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. 3274, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3274, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (English, Fukunaga, Sakamoto).

SCRep. 2794 (Majority) Ways and Means on S.B. No. 2156

The purpose of this measure is to clarify that the Department of Taxation is among the departments whose records and financial affairs the state Auditor may examine and inspect.

This measure also requires the Department of Taxation to:

- (1) Permit the Auditor to inspect any tax return of any taxpayer;
- (2) Furnish the Auditor with an abstract of the return, if the Auditor so desires; and
- (3) Supply the Auditor with information concerning any item contained in a tax return or disclosed by the report of any investigation of a tax return or of the subject matter of a tax return.

Your Committee finds that the Auditor already has the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performances of all departments, offices, and agencies of the State, including the Department of Taxation.

However, the Attorney General has taken the position that the Auditor lacks the statutory authority necessary to conduct an audit of the Department of Taxation. This measure clarifies that the Auditor is authorized to examine and inspect Department of Taxation records by providing very specific statutory authority in addition to the Auditor’s current general statutory authority.

Your Committee has amended this measure by:

- (1) Clarifying that any records the Auditor wishes to examine and inspect must relate to an audit or other investigation undertaken pursuant to chapter 23, Hawaii Revised Statutes;
- (2) Setting forth the actions the Department of Taxation must undertake during an audit by the Auditor in a new subsection (d) of section 23-5, Hawaii Revised Statutes, for purposes of greater clarity; and
- (3) Making technical nonsubstantive amendments to 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. 2156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2156, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Hemmings, Slom).

SCRep. 2795 (Majority) Ways and Means on S.B. No. 2214

The purpose of this measure is to enhance the State's civil defense responsiveness in times of natural disaster.

Specifically, this bill seeks to protect public health, safety, welfare, and property, by providing for:

- (1) Building code standards for state buildings;
- (2) Civil defense sirens in residential developments;
- (3) Tax credits for homeowners for installation of wind resistive devices;
- (4) Underground electric transmission lines;
- (5) Restrictions on National Guard deployment;
- (6) Allocation of part of the general fund appropriation for fiscal years 2005-2006 and 2006-2007 to establish an emergency cache;
- (7) Prohibition on profiteering and price gouging;
- (8) Residential disaster assistance special fund; and
- (9) Appropriations for civil defense.

Your Committee finds that the State must have a comprehensive emergency preparedness program to mitigate hazards, enhance preparedness for major disasters, and accelerate response and recovery when disaster strikes. The goal is to enhance and fortify the State's ability to save lives and protect property in the event of disaster.

Your Committee has amended this measure by retaining certain provisions and by including certain provisions from SB2288, SB2857, SB2955, and SB3268. Specifically, your Committee has amended this bill by:

- (1) Establishing the civil defense disaster preparedness special fund and making an appropriation to the fund to be expended by the Director of Civil Defense for disaster preparedness planning, infrastructure, and response;
- (2) Requiring hospitals, nursing homes, and hotels to prepare disaster preparedness plans to provide adequate emergency shelter for patients, guests, and staff;
- (3) Requiring the Department of Health to conduct a study to assess the structural integrity of all hospitals and nursing homes in Hawaii;
- (4) Requiring the counties to identify, designate, and maintain areas to be used for temporary emergency shelters for the homeless and makes an appropriation therefor;
- (5) Making an appropriation to increase the number of safe emergency shelters in the community;
- (6) Allowing the Governor, on declaring an emergency, to release funds from the emergency and budget reserve fund to provide emergency assistance to residents and businesses in the State;
- (7) Increasing the amount of funds available from the major disaster fund in the event of a major disaster or emergency from \$1,000,000 to \$2,000,000;
- (8) Requiring the Departments of Education and Defense to assess the disaster-worthiness of Department of Education facilities designated as emergency shelters, making an appropriation to retrofit facilities in need of upgrades, and identify sites for new emergency shelters;
- (9) Allowing transfer of funds from the hurricane reserve trust fund to the loss mitigation grant fund;
- (10) Establishing a rebuttable presumption that electric transmission lines will be placed underground in tsunami-prone areas;
- (11) Reordering existing and inserted provisions to organize them under separate parts in the measure relating to disaster preparedness concerning planning, assessment, and response; and

(12) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2214, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2214, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2796 Ways and Means on S.B. No. 2237

The purpose of this measure is to give the Comptroller the option of depositing moneys received from the settlement of claims or losses of the State into a trust account under the control of the affected agency.

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

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2237, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2237, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2797 Ways and Means on S.B. No. 2488

The purpose of this measure is to provide a tax credit of \$1,500 for the purchase of a new or used hybrid motor vehicle.

A hybrid motor vehicle is a motor vehicle with a hybrid propulsion system that uses a combination of electricity and a traditional fuel, such as gasoline.

Your Committee finds that the rising cost of gasoline has made alternative fueled motor vehicles more attractive to the consuming public, not only for the cost savings from using less gasoline, but also because it helps the environment by reducing fossil fuel consumption in the State.

This bill, which applies to taxable years beginning after 2005, provides a strong tax incentive to encourage consumers to save money and help the environment by purchasing a hybrid motor vehicle.

Your Committee has amended this measure by:

- (1) Changing the tax credit to an unspecified amount for the purpose of furthering discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2488, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2798 (Majority) Ways and Means on S.B. No. 2569

The purpose of this measure is to enact the Emergency Management Assistance Compact.

The Emergency Management Assistance Compact establishes authority for states to provide mutual assistance in managing any emergency or disaster that is declared by the governor of a member state, including natural and man-made disasters, technological hazards, community disorder, and insurgency or enemy attack.

The compact is crucial to Hawaii because of its geographical isolation and may also supplement any aid provided by the federal government. Member states are guaranteed reimbursement for all eligible assistance and are protected against tortious liability by the host state.

Your Committee has amended this measure 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. 2569, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2569, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hemmings).

SCRep. 2799 Ways and Means on S.B. No. 2662

The purpose of this measure is to provide a temporary reprieve from lease and permit requirements for airport vendors who wish to make improvements.

Specifically, this bill allows the Department of Transportation to modify terms of concession leases and permits upon mutual agreement with concessions seeking to make improvements, for leases signed after April 30, 2002, and which did not receive rent relief pursuant to Act 201, Session Laws of Hawaii 2004. This bill also requires the Department of Transportation to solicit bids for new leases within twelve months prior to the termination of any lease or permit receiving an extension provided by the bill.

Upon further consideration, your Committee has amended this bill by clarifying that "older" leases or permits for which rent relief terms may be modified, as contained in section 2(3) on page 5, line 9, refer to leases and permits signed before April 30, 2002. Your Committee has also made various other technical nonsubstantive amendments for the 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. 2662, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2662, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2800 Ways and Means on S.B. No. 2663

The purpose of this measure is to include the Koolau Loa coastal highway, from Kaaawa to Waimea, Oahu, in the list of highways for which the Director of Transportation shall establish a process to allow flexible highway design.

Your Committee understands that the availability of flexible highway design for the Koolau Loa coastal highway will enable the implementation of needed highway improvements, while preserving the area's unique rustic character and spectacular natural, scenic, and cultural qualities.

As affirmed by the record of votes of the members 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. 2663 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2801 Ways and Means on S.B. No. 2879

The purpose of this measure is to appropriate funds to assist the Hawaii civil air patrol in defraying its operational expenses.

Your Committee finds that the Hawaii civil air patrol is a volunteer organization that depends on receiving state funding to defray its operating expenses in carrying out crucial operations for the Hawaii Civil Defense system.

Your Committee has amended this measure by changing the appropriation to an unspecified amount, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2879, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2802 Ways and Means on S.B. No. 2882

The purpose of this measure is to appropriate funds to design, construct, and repair the roof hangar at the Hawaii wing headquarters of the Hawaii Civil Air Patrol.

Your Committee finds that the Civil Air Patrol is a peacetime auxiliary of the Air Force whose mission is to provide search and rescue services and administer aerospace education and cadet programs. The Civil Air Patrol is also an active participant in counter-drug operations for the Drug Enforcement Agency and participates in disaster relief, homeland security, and medical emergency transport services to local and national organizations.

The legislature further finds that a lack of funds for maintenance and repair projects has diminished the effectiveness of Civil Air Patrol operations.

This measure would provide the necessary funds to address these maintenance and repair concerns to allow the Civil Air Patrol to continue on its mission and to serve the people of Hawaii.

Your Committee has amended the measure by changing the appropriation to an unspecified amount for the purpose of continuing discussion on the 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. 2882, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2882, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2803 Ways and Means on S.B. No. 2897

The purpose of this measure is to raise the small purchases ceiling under the Hawaii public procurement code from \$25,000 to \$50,000.

The measure also requires that small purchases be:

- (1) Solicited and transacted electronically over the Internet; and
- (2) Purchased from pre-qualified vendors whose bids and offers are solicited at random.

Your Committee finds that the measure brings the requirements of the State's procurement code in line with the reality of the costs of goods and services.

Your Committee has amended the measure by:

- (1) Designating the first two sections of the bill as Part I;
- (2) Creating a Part II that adds provisions that reinstate the exemption from the State's procurement code for the issuance of special purpose revenue bonds; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee finds that special purpose revenue bonds are issued to assist health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, energy projects, early childhood education and care facilities serving the general public, and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

Your Committee believes that the exemption from the procurement code is warranted since no public moneys are involved in the issuance of special purpose revenue bonds. In addition, even the fees and costs involved in the issuance of special purpose revenue bonds and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of special purpose revenue bonds, the borrower is required to reimburse the State for all such amounts.

As affirmed by the record of votes of the members 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. 2897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2804 Ways and Means on S.B. No. 2901

The purpose of this measure is to allow all counties to assess, impose, levy, collect, and transfer to the Department of Transportation impact fees relating to state highway improvements.

The measure accomplishes this by repealing the definition of "county" from the state highway impact fee law, which limited the term to those counties having a population of over five hundred thousand.

As such, your Committee understands that presently, only the city and county of Honolulu is authorized to assess impact fees as a condition for building permits for improvements needed to serve new developments. However, development occurs in and impacts every county and county-specific transportation plans will cost several billion dollars more than the State can afford. This measure will provide the counties of Maui, Hawaii, and Kauai with another means of financing state projects that might otherwise be indefinitely postponed.

As affirmed by the record of votes of the members 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. 2901 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2805 Ways and Means on S.B. No. 2955

The purpose of this measure is to ensure that there is an adequate supply of emergency shelters in the State.

Specifically, the measure:

- (1) Requires the Housing and Community Development Corporation of Hawaii to coordinate with the counties to develop a procedure to identify locations that could be used as temporary emergency shelters and appropriates funds to each county for this purpose;
- (2) Requires, within six months of the effective date of the measure, that all health care facilities operating under a certificate of need and licensed or certified nursing homes file an emergency preparedness plan, which includes a retrofitting plan of its facilities, with the Department of Health;
- (3) Requires, within twelve months of the effective date of the measure, that the Department of Health adopt rules to require that all hotels with more than nine rooming units file a disaster preparedness plan, which includes a retrofitting plan of its facilities, with the Department of Health within thirty days of the adoption of the Department of Health's disaster preparedness rule for hotels;
- (4) Authorizes the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters;
- (5) Requires the Departments of Education and Defense to jointly determine which Department of Education-controlled structures that are currently being identified as emergency shelters are not in compliance with the Department of Defense's emergency shelter design standards adopted pursuant to Act 5, Special Session Laws of Hawaii 2005, and to identify Department of Education-controlled sites for new emergency shelters;
- (6) Appropriates funds to retrofit Department of Education-controlled facilities that are identified as emergency shelters to comply with the Department of Defense's emergency shelter design standards adopted pursuant to Act 5, Special Session Laws of Hawaii 2005; and
- (7) Appropriates funds to construct new emergency shelters in the community.

Your Committee finds that the supply of emergency shelters is woefully and dangerously inadequate. Emergency shelters can make the difference between life or death in a disaster, as was demonstrated in New Orleans with Hurricane Katrina.

Your Committee has amended the measure by:

- (1) Deleting all the provisions of the measure, except for the provisions that:
 - (A) Authorize the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters;
 - (B) Require the Departments of Education and Defense to jointly determine which Department of Education-controlled structures that are currently being identified as emergency shelters are not in compliance with the Department of Defense's emergency shelter design standards adopted pursuant to Act 5, Special Session Laws of Hawaii 2005, and to identify Department of Education-controlled sites for new emergency shelters; and
 - (C) Appropriate funds to retrofit Department of Education-controlled facilities that are identified as emergency shelters to comply with the Department of Defense's emergency shelter design standards adopted pursuant to Act 5, Special Session Laws of Hawaii 2005, but designating the Department of Education as the expending agency;
- (2) Adding provisions that:
 - (A) Require the Department of Accounting and General Services to adopt administrative rules to serve as a uniform standard of construction for state buildings;
 - (B) Require developers of new residential developments to design and construct community facilities to meet hurricane resistant criteria and to install siren warning systems;
 - (C) Require developers of existing residential developments to install siren warning systems;
 - (D) Require that the first \$2,000,000 of the annual net investment income earned from the principal in the Hurricane Reserve Trust Fund, in fiscal years 2006-2007 and 2007-2008, be deposited to the credit of the Loss Mitigation Grant Fund under section 431:22-102, Hawaii Revised Statutes; and

- (E) Provide an income tax credit for the installation of wind resistive devices;
- (3) Adding standard provisions to the wind resistive devices tax credit; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2955, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2955, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2806 (Majority) Ways and Means on S.B. No. 2997

The purpose of this measure is to restore the procurement exemptions for the High Technology Development Corporation (Corporation) that were repealed by Act 216, Session Laws of Hawaii 2004.

Your Committee understands that exemption from the Hawaii public procurement code is required by the Corporation to enable it to effectively operate the High Technology Development Corporation-Manufacturing Extension Partnership program. This program provides a wide variety of business consulting services to local manufacturing firms. Its success is dependent upon the Corporation's ability to quickly respond to companies needing assistance.

Additionally, your Committee believes it would be beneficial to incorporate into this measure procurement code exemption proposals necessary for the following:

- (1) Government agencies who contract for services for the preparation of studies and reports for submittal to the Legislature, to enable these agencies to timely comply with legislative reporting deadlines;
- (2) The Hawaii Strategic Development Corporation to enable it to operate in a time-sensitive, market-driven environment and meet the demands of private sector investors and entrepreneurs; and
- (3) The Natural Energy Laboratory of Hawaii Authority to enable it to better attract competent service providers for cutting edge technology projects, facilitate the administration of federal funds, and take advantage of opportunities to work with universities and laboratories conducting research on a continual contract basis.

Accordingly, your Committee has amended this measure by:

- (1) Providing exemptions from the Hawaii public procurement code for:
 - (A) The services of contractors under contract with a governmental body for the purpose of preparing a study or report for submission to the Legislature;
 - (B) The Hawaii Strategic Development Corporation; and
 - (C) The Natural Energy Laboratory of Hawaii Authority; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, 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. 2997, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2997, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Kim, Trimble). Excused, 2 (Hooser, Hemmings).

SCRep. 2807 Ways and Means on S.B. No. 2145

The purpose of this measure is to promote the coordination of the State's environmental justice activities and require a comprehensive review of the State's existing environmental impact statement process.

By Senate Concurrent Resolution 140, H.D. 1, Regular Session 2005, the Legislature requested the Environmental Council, with the assistance of the Office of Environmental Quality Control and the University of Hawaii Environmental Center, to develop and adopt a guidance document to address environmental justice issues. Consequently, the Environmental Council submitted a report to the Legislature outlining a plan to promote environmental justice activities in the State. This measure provides funding to implement this plan. This includes the hiring of a program director by the Environmental Council to coordinate the State's environmental justice activities, including defining "environmental justice", adopting a guidance document to address environmental justice, making recommendations to update the environmental impact statement process, and conducting outreach activities.

Your Committee understands that it has been fifteen years since a comprehensive review of the State's environmental process has been conducted. This measure provides the funding to enable the Office of Environmental Quality Control to contract with the University of Hawaii Environmental Center to conduct this comprehensive review.

Your Committee has amended this measure by:

- (1) Requiring the University of Hawaii Environmental Center to submit its comprehensive review of the State's existing environmental impact statement process to the Legislature no later than twenty days prior to the convening of the regular session of 2007;
- (2) Exempting the study from the procurement code since the party to be hired for the study is specifically designated;
- (3) Changing the proposed appropriation for the hiring of a program director for the Environmental Council to an unspecified amount to facilitate further discussion; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2145, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2808 Ways and Means on S.B. No. 2957

The purpose of this measure is to provide a comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

Specifically, this measure:

- (1) Increases the renewable energy technologies income tax credit for certain solar thermal and photovoltaic energy systems and removes the tax credits' 2008 sunset date, thereby making them permanent;
- (2) Authorizes the issuance of general obligation bonds for a photovoltaic pilot project in public schools statewide and to bring state facilities into compliance with the State's greenhouse gas and energy consumption reduction goals;
- (3) Requires the incorporation of Leadership in Energy and Environmental Design standards for state-funded buildings; and
- (4) Establishes a Pay As You Save pilot project for the purchase of residential solar hot water heater systems.

Your Committee understands that the development and deployment of advanced hydrogen technologies and the use of biodiesel fuel will further assist the State in utilizing its renewable energy assets and attaining its energy self-sufficiency goals.

Accordingly, your Committee has amended the measure by:

- (1) Establishing a biodiesel preference in Hawaii's procurement law;
- (2) Establishing a Hawaii renewable hydrogen program and hydrogen investment capital special fund and providing appropriations therefor;
- (3) Changing all proposed appropriations to unspecified amounts to facilitate further discussion;
- (4) Making the proposed incorporation of Leadership in Energy and Environmental Design standards applicable to building construction and renovations initiated on or after July 1, 2006, rather than January 1, 2006; and
- (5) 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. 2957, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2957, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2809 (Majority) Ways and Means on S.B. No. 3105

The purpose of this measure is to extend the reverse vending machine rebate program to persons who are not dealers or recyclers.

Your Committee finds that this measure provides an incentive for persons who are not dealers or recyclers to make reverse vending machines available to the public. Additional reverse vending machines will increase consumer convenience with regard to the deposit

beverage container law and help to further reduce the negative impacts of solid waste on our communities and the environment in general.

Your Committee has amended this measure by:

- (1) Clarifying that the rebate applies to each reverse vending machine purchased and placed; and
- (2) Making technical nonsubstantive amendments for 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. 3105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3105, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2810 (Majority) Ways and Means on S.B. No. 3162

The purpose of this measure is to enhance the State's renewable energy and conservation measures.

More specifically, this measure:

- (1) Requires the Public Utilities Commission to establish a renewable energy credits trading program
- (2) Requires the Department of Business, Economic Development, and Tourism to determine the feasibility of Hawaii becoming a member of the Chicago climate exchange; and
- (3) Creates a renewable energy credits trading program advisory committee.

Your Committee finds that establishing a renewable energy credits trading program in Hawaii will ensure compliance with the State's renewable portfolio standards, which requires a certain proportion of electricity sold by each supplier in Hawaii to come from renewable sources. The program will also enable the State to participate in the Chicago climate exchange.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2006, to facilitate coordination between the Public Utilities Commission and the advisory committee established in section 3 of the measure; and
- (2) Making technical nonsubstantive amendments for 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. 3162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3162, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2811 (Majority) Ways and Means on S.B. No. 3181

The purpose of this measure is to increase the State's recycling efforts by including larger-sized containers in the deposit beverage container program.

Specifically, the measure amends the definition of "deposit beverage container" to include and therefore allow the redemption of containers of up to sixty-eight fluid ounces (two liters).

Your Committee finds that including two-liter containers for recycling will help to further reduce the amount of trash in Hawaii's landfills.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose 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. 3181, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3181, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2812 (Majority) Ways and Means on S.B. No. 3182

The purpose of this measure is to impose a phased reduction of methyl tertiary-butyl ether in gasoline sold or imported in the State to levels no greater than .15 volume per cent by January 1, 2009.

Your Committee notes that methyl tertiary-butyl ether is a chemical contained in gasoline that is not presently regulated in the State and has been known to contaminate groundwater resources nationally. The Environmental Protection Agency recommends that the use of methyl tertiary-butyl ether be reduced substantially.

Your Committee has amended this measure by:

- (1) Adding definitions for the term “methyl tertiary-butyl ether”, “gasoline”, and “supplied” in section 4 of this measure; and
- (2) Making technical nonsubstantive changes for consistency and 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. 3182, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3182, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2813 Ways and Means on S.B. No. 3186

The purpose of this measure is to appropriate funds to reconvene the Hawaii energy policy forum.

In May 2002, the University of Hawaii gathered major energy and policy stakeholders in Hawaii to convene as the Hawaii energy policy forum to develop an energy vision for Hawaii through the year 2030 and formulate strategies to implement that vision. After conducting facilitated discussions and policy studies, the Hawaii energy policy forum convened a policy summit in December 2003. The summit’s final report, “Hawaii at the Crossroads: A Long Term Energy Strategy”, recommended guiding principles and policy options to meet Hawaii’s long term energy needs.

Your Committee finds that this measure will enable the Hawaii energy policy forum to further engage major energy and policy stakeholders to:

- (1) Continue their work on creating the State’s preferred energy future;
- (2) Implement the vision, concepts, and recommendations set forth by the forum and the summit’s final report; and
- (3) Develop community and public awareness and support regarding Hawaii’s energy activities, needs, and goals.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3186, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3186, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2814 Ways and Means on S.B. No. 3187

The purpose of this measure is to support the integration of renewable energy and energy efficient technologies in state facilities.

Specifically, this measure:

- (1) Requires the State to finance the integration of renewable energy and energy efficient technologies in state facilities and identify, evaluate, and prioritize qualifying projects;
- (2) Authorizes the issuance of general obligation bonds to finance the integration of renewable energy and energy efficient technologies in state facilities; and
- (3) Requires the Department of Accounting and General Services to prepare comprehensive reports on the practicality, economics, and other relevant aspects of integrating renewable and energy efficient technologies in state facilities.

The deployment of renewable and energy efficient technologies is a necessary part of a sustainable future. The use of these technologies in state facilities, where feasible and cost effective, will mitigate the costs of increasing energy prices and convey the message that energy efficient and environmentally friendly design can be sensible and cost effective.

Your Committee has amended this measure by:

- (1) Changing all references to the proposed appropriation to an unspecified amount to facilitate further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3187, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3187, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2815 (Majority) Ways and Means on S.B. No. 3192

The purpose of this measure is to establish a process for initiating and maintaining sister state and province relationships between the State of Hawaii and a state or province or similar governmental political subdivision of a foreign nation.

Specifically, this bill statutorily establishes the Hawaii Sister State Committee, to be placed within the Department of Business, Economic Development, and Tourism for administrative purposes, consisting of five members to evaluate and develop recommendations for the initiation of all sister state or province relationships for the Legislature. The five members are to be appointed by the Governor from each of five lists of nominees submitted by the Speaker of the House of Representatives, the President of the Senate, a Native Hawaii cultural organization, the East-West Center, and the Hawaii State Association of Counties.

Your Committee believes that this bill will facilitate a more efficient process of establishing fruitful sister state and province relationships. However, your Committee wishes to note that an appropriate organization will be identified in the future to serve as the "Native Hawaii cultural organization" as one of the entities submitting a list of nominees for membership on the Hawaii Sister State Committee.

As affirmed by the record of votes of the members 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. 3192, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2816 Ways and Means on S.B. No. 2090

The purpose of this measure is to establish legislative oversight, review, and approval of the Hawaii community development authority's master planning functions and development of community development districts prior to the expenditure of public funds on development district infrastructure.

Specifically, this bill requires the Hawaii community development authority to adopt community and public notice procedures, including posting of the authority's proposed development plans, notices, and minutes on the authority's website. The authority is also required to hold a separate public hearing for decision making and post notice for the hearing. In connection with designation of community development districts and community development plans, the authority is required to submit to the legislature, rather than the governor, a proposed concurrent resolution summarizing the community development plan and recommending its adoption. The bill authorizes the approval of the plan on passage of the concurrent resolution by both houses of the legislature.

The bill applies the same procedure, i.e. submission by the authority of a proposed concurrent resolution and adoption of the concurrent resolution by both houses of the legislature, to approve amendments to a proposed community development plan. Finally, the bill prohibits the expenditure of any moneys from revolving funds under the Hawaii community development authority to initiate new infrastructure projects without specific appropriation by the legislature.

Upon further consideration, your Committee has amended this measure by making a technical nonsubstantive amendment for the 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. 2090, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2090, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2817 Ways and Means on S.B. No. 2155

The purpose of this measure is to assist the Agribusiness Development Corporation in its task of agribusiness development. Specifically, this measure:

- (1) Permits the Agribusiness Development Corporation to purchase permanent conservation easements for farm and ranch lands protection;
- (2) Permits the Agribusiness Development Corporation to contract with financial institutions for lease management services; and

- (3) Makes an appropriation for the purchase of agricultural lands in Waialua, Oahu, owned by the Galbraith Estate by the Agribusiness Development Corporation.

Your Committee has allowed the amount to be appropriated in section 8 of this measure to remain unspecified to facilitate further discussion and has amended this measure by making technical nonsubstantive changes for purposes of consistency and 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. 2155, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2155, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2818 Ways and Means on S.B. No. 2235

The purpose of this measure is to raise the ceiling of agriculture loan amounts from \$25,000 to \$75,000.

Your Committee finds that the current approval limit of \$25,000 has not been increased since authority to approve those loans was granted in 1982. The agricultural and aquacultural industries as well as the banking industries have undergone tremendous changes since that time. The increase in the approval authority will allow the loan program to improve services to applicants and better meet the needs of the agricultural and aquacultural industries.

Your Committee has amended this measure by increasing the loan ceiling from \$25,000 to \$50,000. 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2235, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2819 Ways and Means on S.B. No. 2360

The purpose of this measure is to require the owner or operator of a vessel to remove the vessel, at the owner's expense, if the vessel goes aground on submerged lands, shorelines, or coral reefs of the State.

This measure also:

- (1) Allows the Department of Land and Natural Resources to take immediate action to remove the vessel if it is grounded on a coral reef or is in imminent danger of breaking up;
- (2) Requires the owner of the vessel to pay for the cost of removal by the Department of Land and Natural Resources and for damage done by the vessel;
- (3) Allows the Department of Land and Natural Resources to take legal action to recover the cost of removal and requires the recovered funds to be deposited in the boating special fund; and
- (4) Exempts from liability persons who, in good faith, render assistance at the scene of a vessel grounded on a coral reef or in imminent danger of breaking up.

Your Committee finds that current law does not allow the Department of Land and Natural Resources to take quick action to remove vessels grounded on coral reefs or in imminent danger of breaking up. Wind and even one tidal cycle can drive a boat hard aground and compound both the costs of removal and damage to the environment. This measure allows the Department of Land and Natural Resources to take immediate action when a vessel is grounded on a coral reef or is in imminent danger of breaking up and to recover costs for removal of the vessel.

Your Committee has amended this measure by:

- (1) Clarifying that the cost of removal and environmental damage must be borne by the owner or operator of the vessel; and
- (2) Making technical nonsubstantive changes for 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. 2360, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2360, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2820 Ways and Means on S.B. No. 2417

The purpose of this measure is to appropriate funds to support and implement the Coqui Frog Working Group Incident Action Plan.

The measure also appropriates funds to the counties of Maui, Kauai, and the city and county of Honolulu to eradicate and control coqui frogs.

Your Committee finds that the island of Hawaii is infested by the Caribbean tree frog or as it is more commonly known--the coqui frog. In 2001, there were over eighty-five documented sightings of the frogs with another sixty-five occurrences that were undocumented. Currently, there are over one hundred fifty established sites on the island of Hawaii infested with coqui frogs. It is estimated that coqui frog populations on the island of Hawaii could reach ten times that reported in the frogs' native forests of Puerto Rico.

The high shrieking noise caused by the high concentrations of coqui frogs exceeds the Department of Health's maximum permissible noise level of seventy decibels. Coqui frogs also threaten the island's agriculture, which includes the floriculture industry.

In response to the coqui frog invasion, the Mayor of the county of Hawaii issued a Declaration of Emergency in February, 2004 that led the county of Hawaii, the Department of Agriculture, the University of Hawaii at Hilo, the University of Hawaii at Manoa, the United States Department of Agriculture's Wildlife Services Division, and the National Wildlife Research Center to form the Coqui Frog Working Group. The Group then produced the Coqui Frog Working Group Incident Action Plan to control and exterminate the coqui frogs on the island of Hawaii.

This measure would supplement the contributions by the county of Hawaii, the State, and the federal government to implement the action plan on the island of Hawaii, as well as fund coqui frog extermination efforts in the other three counties.

Your Committee has amended the measure by:

- (1) Changing the appropriation for the action plan to an unspecified amount for the purpose of furthering discussion on this matter; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2417, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2417, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2821 Ways and Means on S.B. No. 2476

The purpose of this measure is to place greater controls on the sale or exchange of certain state lands.

Specifically, the bill requires that the sale or exchange of any land that the Agribusiness Development Corporation, High Technology Development Corporation, and the Hawaii Public Housing Administration, the latter as of July 1, 2006, hold title to is subject to the approval of the Legislature by a concurrent resolution passed by a majority vote of both the Senate and the House of Representatives.

This measure further requires the approval of the Legislature by concurrent resolution passed by a majority vote of both the Senate and the House of Representatives for any sale, exchange, lease, or similar disposition of land to which the Hawaii Community Development Authority and the University of Hawaii hold title.

Your Committee has amended this measure by making technical nonsubstantive changes for 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. 2476, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2476, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2822 Ways and Means on S.B. No. 2478

The purpose of this measure is to appropriate funds to the Hawaii Farm Bureau Federation to conduct agricultural research and promote agricultural market development.

Your Committee finds that the agriculture industry continues to play a vital role in Hawaii's economy and accounts for approximately \$2,400,000,000 in produce, products, and value-added commodities. The industry also employs more than thirty-eight thousand people and has seen a doubling in farm revenues to \$370,900,000 in the fast growing diversified agricultural sector. The success of the agriculture industry is attributable to a dedicated and hard working farm community that has taken an aggressive and dynamic approach to competing in the global agricultural market.

Continued growth and success, however, is dependent upon research and market development. In the past, the Hawaii Farm Bureau Federation has partnered with the Hawaii Agriculture Research Center, the University of Hawaii's College of Tropical Agriculture and Human Resources, and the Department of Agriculture on many research and market development projects.

This bill would allow the Hawaii Farm Bureau Federation to continue to coordinate research and market development projects to allow the agricultural community to compete in the world market to maintain and expand its market share.

Your Committee has amended the bill by changing the appropriation to an unspecified amount for purposes of furthering 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. 2478, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2478, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2823 Ways and Means on S.B. No. 2480

The purpose of this measure is to appropriate funds to conduct a study on the feasibility of constructing a wastewater treatment facility for Kapoho Vacationland Estates and Farmlots.

The study also includes the feasibility of constructing public restrooms at the Wai O Pae Marine Life Conservation District located within Kapoho Vacationland Estates and Farmlots.

Your Committee finds that the Kapoho Vacationland Estates and Farmlots on the island of Hawaii rely primarily on cesspools and septic tanks as a means of wastewater disposal. Due to the high groundwater table, close proximity to the valuable nearshore water and porous ground formations, wastewater from these communities may be impacting the nearshore waters.

This bill provides the funds to conduct a feasibility study to determine whether a wastewater treatment facility or other alternative will work best to protect the environment in this area.

Your Committee has amended the bill by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2480, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2480, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2824 Ways and Means on S.B. No. 2482

The purpose of this measure is to make an appropriation to be expended by the Department of Agriculture for the development of a master plan for an agricultural park in Kunia.

In a past Land Use Commission reclassification proceeding, a condition was added to the decision and order requiring the dedication of a one hundred and fifty acre buffer area to the State in order to separate the existing and future Royal Kunia residential development and activities on agricultural lands mauka of the residential development.

Your Committee finds that the lands were recently dedicated and that a master plan for the development of the lands for an agricultural park is necessary for the proper and expeditious use of this land.

Your Committee has amended the measure by:

- (1) Clarifying that the land was "dedicated" rather than "donated" to the State;
- (2) Clarifying the location of the land; and
- (3) Making technical nonsubstantive changes to this measure for 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. 2482, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2482, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2825 Ways and Means on S.B. No. 2484

The purpose of this measure is to appropriate funds for the installation of two vog monitoring stations, one at Mountain View and one at Pahala on the island of Hawaii.

Your Committee finds that Kilauea volcano on the island of Hawaii has erupted continuously for twenty three years and has emitted thousands of tons of gases containing sulfur dioxide and carbon dioxide. These gases react with other chemicals in the air to produce a visible haze, often referred to as vog.

Vog has been shown to cause a variety of illnesses, including adolescent allergies, asthma, and other respiratory diseases. Vog is also linked to bronchitis, cardiac problems and other medical maladies related to the eyes, nose, throat, and lungs.

In response to the health threat posed by vog, the Legislature adopted Senate Concurrent Resolution No. 135 in 2005, to request the Department of Health to implement a vog monitoring plan.

Pursuant to the recommendations made in the Department's plan, this bill appropriates funds to establish vog monitoring stations at Mountain View and Pahala on the island of Hawaii that are equipped with sulfur dioxide monitors and meteorological equipment. The information from the stations would:

- (1) Be accessible to the public through an internet website;
- (2) Provide timely notice on vog conditions in Hawaii; and
- (3) Serve to document relevant data for the purpose of establishing public policy on this matter.

Your Committee has amended the bill by:

- (1) Changing the amount appropriated to an unspecified amount to promote continuing discussion on the matter; and
- (2) Making technical 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. 2484, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2484, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2826 Ways and Means on S.B. No. 2485

The purpose of this measure is to authorize special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure that directly benefit and serve important agricultural lands.

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

Your Committee has amended this measure by:

- (1) Adding provisions regarding the powers of the Department of Budget and Finance with regard to special purpose revenue bonds that are consistent with similar provisions of Chapter 39A, Hawaii Revised Statutes, regarding other types of special purpose revenue bonds;
- (2) Exempting the State from having to pay interest on a deposit paid as security for reimbursement of the State's cost of entering into negotiations for a project agreement, consistent with similar provisions of Chapter 39A, Hawaii Revised Statutes, regarding other types of special purpose revenue bonds;
- (3) Adding language regarding present and future liens of any mortgage of the project party securing the project party's bonds, consistent with similar provisions of Chapter 39A, Hawaii Revised Statutes, regarding other types of special purpose revenue bonds; and
- (4) Making technical nonsubstantive changes for 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. 2485, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2485, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2827 Ways and Means on S.B. No. 2493

The purpose of this measure is to amend Act 8, Special Session Laws of Hawaii 2005, to provide the Hawaii Sustainability Task Force with more time to finish preliminary work on the Hawaii 2050 Sustainability Plan.

Specifically, the measure amends Act 8 by:

- (1) Extending the Auditor's deadline by one year to complete the 2050 Sustainability Plan; and
- (2) Extending the Task Force's authority to conduct its proceedings from the adjournment sine die of the 2007 Regular Session of the Legislature to June 30, 2008.

Your Committee finds that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the Task Force to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the Task Force submitted its first report to the Legislature, and in the report, the Task Force determined that, among other things, the process to create the 2050 Sustainability Plan should include research and data gathering, community input and outreach, and activities to educate the public. However, these efforts take a significant amount of planning and coordination.

This measure will allow the Task Force to continue its work for another year to complete its preliminary work on the Hawaii 2050 Sustainability Plan.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2493, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2828 (Majority) Ways and Means on S.B. No. 2550

The purpose of this measure is to establish the Kakaako central small business district, within the geographic boundaries of the Kakaako community development district.

This measure also imposes a moratorium on the Hawaii Community Development Authority from planning, engaging, or beginning any capital improvement project involving any infrastructure construction or street improvements in the Kakaako community development district from its effective date until January 1, 2007.

Your Committee has amended this measure by:

- (1) Transferring jurisdiction over the Kakaako central small business district to the city and county of Honolulu;
- (2) Requiring that any use, zoning, planning, and development of land and construction within the Kakaako central small business district shall be in accordance with the ordinances and rules of the City and County of Honolulu;
- (3) Limiting the moratorium on the Hawaii Community Development Authority to prohibiting it from undertaking any capital improvement project, involving infrastructure improvements and street improvements, within the Kakaako central small business district rather than within the entire Kakaako community development district;
- (4) Changing the effective date of this measure to facilitate further discussion of this matter; and
- (5) Making technical nonsubstantive changes for 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. 2550, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2550, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hemmings).

SCRep. 2829 Ways and Means on S.B. No. 2575

The purpose of this measure is to appropriate funds to enable the completion of a baseline environmental study of the Waianae Coast ocean area.

Pursuant to Act 6, Special Session Laws of Hawaii 2005, the Legislature required the Department of Land and Natural Resources to prepare a baseline environmental study of the area from Kalaeloa point to Kaena point for the purpose of designating the boundaries of and adopting rules for an ocean recreation management area. However, the study was not completed due to a lack of funding.

Your Committee understands that the cumulative economic, environmental, social, and cultural impacts of the growing west Oahu population and visitor industry remain matters of great concern to the communities along the Waianae coast. This measure will enable the Department of Land and Natural Resources to complete the baseline environmental study.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2575, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2830 Ways and Means on S.B. No. 2753

The purpose of this measure is to appropriate funds for the continued operation and maintenance of the east Kauai irrigation system.

Your Committee finds that after Amfac Sugar Company ceased operating the east Kauai irrigation system in 2001, the East Kauai Water Users' Cooperative was formed to continue operations of the state-owned system. The system provides water for a variety of purposes, including farmers in the Kapaa area, the Fern Grotto, a popular tourist destination, and the Wailua reservoir, which feeds water into public fishing areas, campgrounds and an educational center for children. Despite user fees charged to system patrons, the system is in need of financial assistance.

This bill would provide the necessary funds to assist the East Kauai Water Users' Cooperative to operate and maintain the system for the benefit of the Kauai community.

Your Committee has amended the bill by:

- (1) Making the Agribusiness Development Corporation the expending agency;
- (2) Changing the appropriation to an unspecified amount for the purpose of furthering discussions; and
- (3) Making technical 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. 2753, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2753, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2831 (Majority) Ways and Means on S.B. No. 2954

The purpose of this measure is to promote the repair and maintenance of irrigation systems throughout the State. Specifically, this measure:

- (1) Establishes the irrigation repair and maintenance special fund;
- (2) Provides grants from the irrigation repair and maintenance special fund to private irrigation system owners who provide matching funds equal to the amount received from the special fund; provided that the lands served by the irrigation system is dedicated to diversified agriculture;
- (3) Defines "diversified agriculture";
- (4) Provides an income tax credit equal to the amount that the irrigation system owner provided in obtaining funding from the irrigation repair and maintenance special fund;
- (5) Authorizes the Director of Finance to issue general obligation bonds in the sum of \$30,000,000 and appropriates the same amount to be deposited into the irrigation repair and maintenance special fund; provided that \$50,000,000 in federal matching funds are also deposited into the irrigation repair and maintenance special fund;
- (6) Makes an appropriation out of the irrigation repair and maintenance special fund in the sum of \$80,000,000 for repair and maintenance of irrigation systems; and
- (7) Makes appropriations out of the general fund in the sum of \$11,886,000 for repair and maintenance of certain irrigation systems and an unspecified sum for the administrative costs of the Agribusiness Development Corporation.

Your Committee amended this measure by:

- (1) Changing the amount of the general obligation bond issue and the various appropriations in this measure to an unspecified amount to facilitate further discussion on these matters; and
- (2) Making technical nonsubstantive changes for 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. 2954, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2954, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Hemmings).

SCRep. 2832 Ways and Means on S.B. No. 2984

The purpose of this measure is to appropriate funds to the Kikala-Keokea housing revolving fund.

Over the years, the native Hawaiian residents of Kalapana on the island of Hawaii maintained a unique community promoting the native Hawaiian way of life. The continuation of this way of life, however, was threatened as a result of volcanic eruptions which eventually destroyed one of the last native Hawaiian settlements on the island.

In response to this tragedy, the Legislature, by Act 314, Session Laws of Hawaii 1991, provided relocation assistance to displaced residents of Kalapana by awarding long-term leases in the Kikala-Keokea homestead area. Subsequently, by Act 144, Session Laws of Hawaii 2001, the Legislature established the infrastructure development fund to finance the construction of infrastructure in the area and the Kikala-Keokea housing revolving fund to provide low-interest loans to Kikala-Keokea lessees for home construction. This measure appropriates funds to the Kikala-Keokea housing revolving fund to allow housing construction to begin.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion;
- (2) Changing its effective date from July 2, 2006, to July 1, 2006; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2984, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2984, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2833 (Majority) Ways and Means on S.B. No. 3037

The purpose of this measure is to provide a tax credit to assist the victims of the Manoa flood of 2004.

Your Committee finds that the heavy rain and flood of October 2004 had devastating consequences for many residents of Manoa Valley. Approximately one hundred forty homes and several automobiles sustained damage caused by the torrential downpour that overflowed the banks of Manoa Stream. Fortunately, the flooding did not cause any serious injuries or deaths, but the property damage it left in its wake is still being felt by many Manoa families.

This bill provides a modicum of relief to the victims of the Manoa flood in the form of a one-time nonrefundable tax credit not to exceed \$2,000. The tax credit applies to losses of real or personal property caused by the heavy rain and flood.

In response to the heartfelt testimony received by your Committee from the victims of the Manoa flood and the enormous losses sustained by these victims, your Committee has amended the bill to increase the tax credit limit to \$10,000 per qualified taxpayer. Your Committee has also amended the bill by:

- (1) Adding other qualifying provisions with respect to the tax credit; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3037, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3037, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2834 (Majority) Ways and Means on S.B. No. 3077

The purpose of this measure is to provide guidance on developing an effective process to award funds from the land conservation fund.

Specifically, the measure:

- (1) Establishes and assigns responsibilities to a legacy land conservation commission to assist the Department of Land and Natural Resources and the Board of Land and Natural Resources in administering the land conservation fund;
- (2) Establishes criteria for prioritizing land and easement acquisitions with moneys from the land conservation fund;
- (3) Provides for the development and periodic updating of a resource land acquisition plan;
- (4) Provides for legislative review of lands acquired; and
- (5) Requires the Department of Land and Natural Resources to submit to the Legislature, on an annual basis:
 - (A) A resolution with a list of all lands acquired; and
 - (B) A report listing the acceptance or rejection by the Board of Land and Natural Resources of the legacy land conservation commission's advice and recommendations.

By Act 156, Session Laws of Hawaii 2005, the Legislature established the land conservation fund to protect state land and resources for future generations. This includes, among other things, conserving land for watershed protection, coastal preservation, flood prevention, parks, habitat protection, cultural preservation, agricultural production, and open space and scenic resources. Your Committee understands that this measure provides needed guidance on the process for awarding funds from the land conservation fund.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3077, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Nishihara, Hemmings).

SCRep. 2835 (Majority) Ways and Means on S.B. No. 3078

The purpose of this measure is to assist the Agribusiness Development Corporation to create the Hawaii agribusiness plan.

Specifically, this bill directs the Legislative Reference Bureau to conduct a study to identify elements that should be included in the Hawaii agribusiness plan and to:

- (1) Identify the government agencies, public and private organizations, and individuals that are stakeholders that directly benefit from the agribusiness development corporation;
- (2) Convene a working group of the stakeholders in the agricultural industry, which shall include but not be limited to individuals from the department of agriculture, the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, and county farm bureaus, as well as individual farmers and ranchers;
- (3) Organize working group meetings and facilitate discussions and suggestions to improve the Agribusiness Development Corporation, identify the necessary elements for developing the Hawaii agribusiness plan, and evaluate the transfers proposed in the original S.B. No. 3078;
- (4) Produce a report of its findings and recommendations, as well as the working group's findings and recommendations; and
- (5) Submit its report to the legislature at least twenty days before the convening of the 2007 regular session.

Upon further consideration, your Committee has amended this bill to enable the Legislative Reference Bureau to provide a research product that is useful to the Legislature in a more expedient manner by removing:

- (1) The concept of having the Bureau convene a working group; and
- (2) The requirement for the Bureau to evaluate the specific transfer of responsibilities between agencies as proposed in the original draft of this bill.

Your Committee has also made technical nonsubstantive amendments for the 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. 3078, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3078, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2836 Ways and Means on S.B. No. 3084

The purpose of this measure is to clarify the appraisal process for state acquisitions of real property.

Specifically, this measure permits land acquisition pursuant to chapter 173A, Hawaii Revised Statutes, relating to lands having value as a resource to the State, based upon an appraisal completed within six months if the Attorney General finds the appraisal was performed according to accepted professional standards.

Your Committee has amended this measure by:

- (1) Clarifying that, in any case of the purchase of land by the State, the Attorney General, after consultation with the Department of Land and Natural Resources or another independent appraiser, may determine that the purchase of the land at a cost above appraisal may be justified; and
- (2) Making technical nonsubstantive changes for 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. 3084, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3084, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2837 Ways and Means on S.B. No. 3086

The purpose of this measure is to stabilize agricultural park lease rent rates by requiring the use of a fairer method of calculating rates during a lease rent reopening.

Specifically, lease rent would be determined during a reopening by an appraisal that is based on the highest and best use of the agricultural park that is determined by an income capitalization approach that considers the potential agricultural yield from the agricultural park.

Your Committee finds that the booming Hawaii real estate market has fueled substantial increases in the lease rent rates for state agricultural leases. Lessees are faced with significant increases because lease rent rates are based on the highest and best use of the agricultural park, which may include considerations other than agriculture.

This bill addresses this problem by requiring the consideration of the potential agricultural yield from the agricultural park in determining the highest and best use of the agricultural park.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3086, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3086, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Nishihara, Hemmings).

SCRep. 2838 Ways and Means on S.B. No. 3096

The purpose of this measure is to appropriate funds to complete the state agricultural water use and development plan.

Your Committee finds that the state agricultural water use and development plan is intended to provide an overview of all of the State's sources of agricultural water and set standards and priorities for the State. The initial report provided only a limited overview of some of the irrigation systems. The Department of Agriculture is currently completing phase 3 of the plan. Additional funding is needed to complete the plan.

As affirmed by the record of votes of the members 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. 3096, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 2839 Ways and Means on S.B. No. 3098

The purpose of this measure is to change the boundaries of the Kakaako Community Development District by deleting the areas comprising piers 1 and 2 and the contiguous backup fast lands that serve as a foreign cargo container yard and transferring the lands to the Department of Transportation, Harbors Division.

Your Committee finds that the foreign cargo container yard capacity will be exhausted within five years. The area used for foreign cargo containers was already reduced with the development of the passenger cruise ship terminal as part of pier 2. However, it was

brought to the attention of your Committee that the area that is being deleted from the Kakaako Community Development District to be transferred to the Department of Transportation also contains the foreign-trade zone under the direction of the Department of Business, Economic Development, and Tourism.

Accordingly, your Committee has amended this measure by:

- (1) Directing the Hawaii Community Development Authority to transfer the lands in question to the Department of Land and Natural Resources;
- (2) Directing the Governor to set aside the areas:
 - (A) Presently containing the foreign-trade zone to the Department of Business, Economic Development, and Tourism; and
 - (B) Presently used as pier 1 and 2 and the backup foreign cargo container yard to the Department of Transportation;
- (3) Clarifying the jurisdiction and administrative authority of Department of Business, Economic Development, and Tourism over the lands presently containing the foreign-trade zone; and
- (4) Making technical nonsubstantive changes for 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. 3098, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3098, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Hemmings).

SCRep. 2840 Ways and Means on S.B. No. 3138

The purpose of this measure is to make an appropriation to be expended by the Auditor for the preparation of the Hawaii 2050 Sustainability Plan.

The Hawaii 2050 Sustainability Plan is to define and implement state goals, objectives, policies, and priority guidelines, by implementing some or all of the recommendations of the 2050 Task Force.

Your Committee has left the amount appropriated unspecified to allow further 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. 3138 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Nishihara, Hemmings).

SCRep. 2841 Ways and Means on S.B. No. 3147

The purpose of this measure is to appropriate funds to purchase Waimea Valley on the island of Oahu.

Your Committee finds that Waimea Valley, Oahu, has long been recognized for its beauty and cultural and historical significance. The 1,875 acre valley is also the home of many species of endemic and migratory avifauna, including the endangered nene or Hawaiian goose, koloa or Hawaiian duck, alae ula or Hawaiian gallinule, and the aukuu or black-crowned night heron.

This natural treasure, however, may be lost forever to development by its private owner. The City and County of Honolulu has indicated a willingness to contribute \$5,200,000 to acquire the valley. Other organizations, including the United States Army and the Office of Hawaiian Affairs, have also pledged funds to help preserve the valley in its natural pristine condition.

This measure would allow the State to assist in this effort to purchase Waimea Valley to preserve and protect the valley for future generations to appreciate and enjoy.

As affirmed by the record of votes of the members 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. 3147, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Nishihara, Hemmings).

SCRep. 2842 (Majority) Ways and Means on S.B. No. 54

The purpose of this measure is to allow any elective officer who attains the age of sixty-five to retire and receive a service retirement allowance while continuing to fill an elective position.

Your Committee finds that under the current law, only members of the Legislature are eligible to receive pensions upon attaining the age of sixty-five while continuing to serve in elective positions. This amendment to the law will serve to provide equity as well as attract a more diverse group of candidates for elected public service.

Your Committee has amended the measure by requiring that the elective officer continuously serve in the state legislature as an elective officer for at least twenty years immediately prior to retiring in order to qualify for this retirement benefit.

In making these amendments, your Committee declares that it is not the intent of your Committee to abrogate the retirement benefits of any vested member of the Employees' Retirement System and that any alteration to retirement benefits made under this measure is to be applied prospectively.

As affirmed by the record of votes of the members 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. 54, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 54, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Inouye, Kokubun, Nishihara).

SCRep. 2843 (Majority) Ways and Means on S.B. No. 87

The purpose of this measure is to establish a new collective bargaining unit for substitute teachers, including part-time substitute teachers, of the Department of Education.

Your Committee finds that substitute teachers provide vital assistance to the schools and the students.

Your Committee has amended this measure by:

- (1) Giving substitute teachers the option of joining an appropriate and existing bargaining unit;
- (2) Substituting the current language of section 89-6, Hawaii Revised Statutes, rather than the language that section will revert to on July 1, 2008, pursuant to the repeal and reenactment provision of Act 245, Session Laws of Hawaii 2005; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee has concerns about allowing part-time employees to join a union but also recognizes that this measure is a "work in progress" and deserves continued 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. 87, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 87, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2844 Ways and Means on S.B. No. 301

The purpose of this measure is to provide funding to support staffing for the Hawaii civil rights commission.

Specifically, this bill appropriates \$134,340 for three positions—an investigator, a legal assistant, and an attorney mediation coordinator at the Hawaii civil rights commission.

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

- (1) Changing the appropriated amount to an unspecified amount to facilitate further discussion; and
- (2) 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. 301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 301, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2845 Ways and Means on S.B. No. 304

The purpose of this measure is to appropriate funds for the nursing and dental hygiene programs at the University of Hawaii.

Specifically, this measure appropriates funds for faculty, administrative, and staff positions, distance learning, salary adjustments, facility planning, a nursing consortium, and rural health.

Your Committee finds that this measure is needed to support the efforts of the University of Hawaii at increasing its educational capacity in the area of nursing and dental hygiene in order to produce a qualified workforce to meet Hawaii's health care needs in the future.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 304, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 304, S.D. 3.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2846 Ways and Means on S.B. No. 916

The purpose of this measure is to allow trustees of the Office of Hawaiian Affairs who were in service on July 1, 2002, with no fewer than five years of employees' retirement system membership service, and who elected to become employees' retirement system members prior to October 1, 2002, to purchase their service credit pursuant to section 88-59, Hawaii Revised Statutes.

Your Committee finds that Act 183, Session Laws of Hawaii 2002, authorized Office of Hawaiian Affairs trustees to become members of the employees' retirement system. However, the law did not address whether trustees would be able to obtain credit for service rendered during the period between July 1, 1993, and July 1, 2002. As a result, trustees who could claim prior service credit after having served the requisite number of years, who were eligible for retirement, and who did not wish to seek an additional term in office were unable to acquire full credit for past service. This measure will ensure consistency in the retirement benefits extended to Office of Hawaiian Affairs trustees.

Your Committee has amended this measure 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. 916, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 916, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2847 Ways and Means on S.B. No. 2021

The purpose of this measure is to provide parity to retirees who relocate outside the coverage of the Hawaii employer-union health benefits trust fund.

Specifically, this bill requires the Hawaii employer-union health benefits trust fund to reimburse retirees who have relocated outside the coverage of the fund for costs associated with securing a personal health insurance policy. Reimbursement is limited to the lesser of the actual cost of the policy or the amount of the state or county contribution for the most comparable health benefits plan. Reimbursements are to begin on July 1, 2007 and apply to all retirees regardless of their date of retirement.

Upon further consideration, your Committee has amended this bill by clarifying that the reimbursements apply to all retirees regardless of their date of retirement by specifically including this provision within the text of the new section 87A- , Hawaii Revised Statutes. Your Committee has also made technical nonsubstantive amendments for the 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. 2021, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2021, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2848 (Majority) Ways and Means on S.B. No. 2209

The purpose of this measure is to ensure that workers on public work projects are paid prevailing wages, regardless of whether the public work project was directly built or developed by a governmental contracting agency.

Specifically, the measure requires the Department of Labor and Industrial Relations (Department) to enforce the laws of chapter 104 (wages and hours on public work projects), Hawaii Revised Statutes, and to collect and maintain the certified copies of payrolls for any public work project subject to chapter 104, Hawaii Revised Statutes, that was not directly built or developed by a governmental contracting agency.

Your Committee finds that contractors on certain public work projects have been able to avoid compliance with prevailing wages laws, largely due to a lack of monitoring and enforcement. Your Committee also finds that certain public work projects, including those that are funded through the use of special purpose revenue bonds, lack an identifiable governmental contracting agency. Consequently, contractors on public work projects without a governmental contracting agency are able to avoid compliance with the law, as there is no entity to enforce or monitor compliance with chapter 104, Hawaii Revised Statutes.

Your Committee has amended the measure by:

- (1) Placing the proposed new language into a separate new section of law within the same chapter rather than inserting it into section 104-2, Hawaii Revised Statutes; and
- (2) Changing the effective date from upon approval to July 1, 2050, to facilitate 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. 2209, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2209, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Hemmings).

SCRep. 2849 Ways and Means on S.B. No. 2272

The purpose of this measure is to require retired individuals who receive reimbursements from the Hawaii employer-union health benefits trust fund for Medicare part B premiums to designate a financial institution of their choice for direct deposit of reimbursements after July 1, 2006.

In addition, this measure also clarifies the language of the existing law relating to health benefits plan supplemental to Medicare under section 87A-23, Hawaii Revised Statutes, by making technical nonsubstantive amendments.

Your Committee believes that this measure will increase the efficiency of reimbursements made by the Hawaii employer-union health benefits trust fund and reduce operating 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. 2272 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2850 Ways and Means on S.B. No. 2273

The purpose of this measure is to make various amendments to the employees' retirement system.

The amendments relate to definitions, credited service, contributions, calculation of nontax-qualified benefits, beneficiary designations, accidental and ordinary death benefits, investment vehicles, active duty, returns to service, and class conversions.

Your Committee finds that the changes in this administration measure will synchronize the statutes with the operating practices of the Employees' Retirement System, address Internal Revenue Service and other federal requirements, and make housekeeping changes.

Your Committee has amended this measure, upon the advice of the Employees' Retirement System, to make additional changes, as follows:

- (1) Allowing former nonvested contributory plan members whose accumulated contributions are more than \$1,000 to file an application to withdraw those funds upon their return to service; and
- (2) Allowing noncontributory plan members hired or returning to service from March 1, 2006, through June 30, 2006, to have sixty days to make an election to join the hybrid plan.

Your Committee has also made technical nonsubstantive amendments for the purposes of clarity, style, and consistency, and to conform underlying statutory text to the printed version of the 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. 2273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2273, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2851 Ways and Means on S.B. No. 2274

The purpose of this measure is to amend certain provisions of the State's Employees' Retirement System law to maintain its tax qualified status.

Specifically, the measure:

- (1) Amends section 88-321, Hawaii Revised Statutes, to prohibit former contributory class A plan members of the Employees' Retirement System who withdrew or received refunds of their contributions under section 414(h)(2) of the Internal Revenue Code of 1986, as amended, while still employed by the State or a county, from joining the contributory class H (hybrid) plan; and
- (2) Repeals section 88-46.5, Hawaii Revised Statutes, which allows contributory class A and contributory class H members to withdraw their accumulated contributions while still employed by the State or county if beset by economic hardship.

Your Committee finds that the measure is necessary to protect the Employees' Retirement System's tax qualified status under the Internal Revenue Code of 1986, as amended.

Your Committee has amended the measure by:

- (1) Clarifying that the measure also pertains to class B members of the Employees' Retirement System;
- (2) Clarifying that a former class A or class B member who:
 - (A) After June 30, 1984, returns to service without vested benefit status;
 - (B) Is required to enroll as a class C member; and
 - (C) Has been refunded all accumulated contributions;
 Does not have the option to be a class H member upon a return to service; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2274, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2274, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2852 (Majority) Ways and Means on S.B. No. 2416

The purpose of this measure is to allow individuals who have retired from public service to be rehired for critical-to-fill or labor shortage positions by the State or a county without the loss or suspension of retirement benefits.

The measure also requires that, to qualify for rehiring, the retirant must have been retired for at least one calendar year prior to being rehired.

Your Committee finds that the current labor pool is decreasing in Hawaii, yet the need for qualified individuals to work for the state and county governments remains constant. Your Committee recognizes that the changing demographics of the current workforce have resulted in an aging workforce, with many workers becoming eligible for retirement with full benefits. The utilization of retired government employees will provide a short- and long-term solution to the current workforce deficits that have been created by an increased number of retirements, positions in a labor shortage category, and positions categorized as hard-to-fill.

Your Committee has amended the measure by:

- (1) Clarifying that the Judiciary may participate in this personnel initiative; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2416, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2853 (Majority) Ways and Means on S.B. No. 2546

The purpose of this measure is to establish a Hawaii construction authority task force to determine the feasibility of establishing a Hawaii Construction Authority.

Your Committee finds that the construction industry has experienced a recent boom in construction activities with projection of continued growth. This expansion of the construction industry brings with it many unanswered questions relating to:

- (1) The adequacy of the workforce and future labor needs;

- (2) Redundancy and bureaucracy in the land use and permitting process;
- (3) The impact of the construction industry on the finite natural resources of the State; and
- (4) The environmental impacts of increased development.

The Hawaii construction authority task force is tasked with the review of the above issues and any other pertinent issues to determine the efficacy, costs, and benefits of establishing a Hawaii Construction Authority.

Your Committee has amended this measure by making technical nonsubstantive changes for 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. 2546, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2546, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2854 (Majority) Ways and Means on S.B. No. 2616

The purpose of this measure is to generally prohibit employees from being required to work more than five hours straight without at least a thirty minute meal break.

Your Committee finds that rest periods should as a matter of public policy be afforded to all employees in order to maintain productivity and morale.

Your Committee notes that exceptions are provided to certain employers where their employees are covered by collective bargaining or where continuous operations or service are necessary.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2616, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2616, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Sakamoto, Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2855 (Majority) Ways and Means on S.B. No. 2640

The purpose of this measure is to clarify the previously stated legislative intent of authorizing voluntary employees' beneficiary association trusts.

Specifically, this measure clarifies that the trusts may be established by any employee organization for the benefit of all employees represented by that employee organization, not just employees in one single particular bargaining unit of that employee organization.

Your Committee finds that this measure is necessary to clarify that a single trust may be established by an employee organization for all of its bargaining units. Without such clarifying language, an employee organization with multiple bargaining units might be led to infer that the law requires it to establish separate trusts for each of its bargaining units.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2640, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2856 (Majority) Ways and Means on S.B. No. 2643

The purpose of this measure is to expand the scope of workers eligible for referrals to receive vocational rehabilitation services.

Specifically, this bill includes those workers who have otherwise been deemed unable to return to their regular jobs—interpreted to cover non-physical injuries—for referrals by the Director of Labor and Industrial Relations to vocational rehabilitation services.

Upon further consideration, your Committee has made the following amendments:

- (1) Technical amendments for the purposes of clarity and consistency; and
- (2) Changing the effective date to June 30, 2099 for the purpose of facilitating 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. 2643, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2643, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2857 (Majority) Ways and Means on S.B. No. 3009

The purpose of this measure is to change the status of positions that are statutorily exempt from civil service to civil service positions in order to conform to the intent of Act 253, Session Laws of Hawaii 2000.

The measure specifically affects civil service exempt positions within the following departments, programs, or agencies:

- (1) The Department of Land and Natural Resources, Historic Preservation Program;
- (2) The Department of Commerce and Consumer Affairs, Compliance Resolution Fund;
- (3) The Department of the Attorney General;
- (4) The Hawaii Employer-Union Health Benefits Trust Fund;
- (5) The Department of Health, Environmental Response Program;
- (6) Department of Land and Natural Resources, Special Land and Development Fund;
- (7) The Commission on Water Resource Management;
- (8) Housing and Community Development Corporation of Hawaii;
- (9) The Workforce Development Council;
- (10) The Hawaii Community Development Authority;
- (11) The Public Utilities Commission;
- (12) The Department of Health, Clean Air Branch;
- (13) The Department of Health, Office of Solid Waste Management;
- (14) The Department of Human Services, Medicaid Home and Community-based Waiver Programs;
- (15) The Department of Health, Disability and Communication Access Board;
- (16) The Department of Labor and Industrial Relations, Office of Community Services;
- (17) The Department of Labor and Industrial Relations, Hawaii Career Information Delivery System;
- (18) The Department of Labor and Industrial Relations, Employment and Training Fund;
- (19) The Department of Commerce and Consumer Affairs, Division of Financial Institutions;
- (20) The Department of Commerce and Consumer Affairs, Insurance Division;
- (21) The Department of Commerce and Consumer Affairs, Cable Television Division; and
- (22) Office of the Public Defender.

The measure also:

- (1) Specifies that, for the Employer-Union Health Benefits Trust Fund:
 - (A) Repeals the provision that made positions transferred from the defunct Public Employees Health Fund become exempt; and
 - (B) May continue to hire civil service exempt employees for the following positions: an assistant administrator, financial management officer, information systems analyst, health program benefits manager, any other equal or higher level managers, and an administrative secretary; and

- (2) Extends the sunset date of Act 128, Session Laws of Hawaii 2004, from July 1, 2006, to July 1, 2007, which, among other things, allows civil service exempt employees with six consecutive years of service to apply for intra- and inter-departmental transfers or promotions.

Your Committee finds that, pursuant to Act 253, Session Laws of Hawaii 2000, the Legislature sought to reduce the number of civil service exempt employees in public service within the State. Your Committee further finds that the Department of Human Resources Development was tasked with annually reporting to the Legislature on the number of civil service exempt employees and recommendations on the necessity of changing the status of their positions.

The Department of Human Resources Development reports have indicated that, despite Act 253, Session Laws of Hawaii 2000, the conversion of civil service exempt positions since Act 253 was enacted have been few and are long overdue.

Your Committee has amended the measure by deleting the sections that require the following departments, programs, or agencies to convert their exempt positions to civil service:

- (1) The Hawaii Employer-Union Health Benefits Trust Fund;
- (2) The Department of Health, Environmental Response Program;
- (3) The Department of Land and Natural Resources, Special Land and Development Fund;
- (4) Housing and Community Development Corporation of Hawaii;
- (5) The Department of Health, Clean Air Branch;
- (6) The Department of Health, Disability and Communication Access Board; and
- (7) The Department of Commerce and Consumer Affairs, Insurance Division.

Your Committee has also:

- (1) Provided the Department of Human Resources Development with one year to effectuate the conversion of the positions effected by the measure; and
- (2) Made technical nonsubstantive changes for 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. 3009, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3009, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2858 (Majority) Ways and Means on S.B. No. 3011

The purpose of this measure is to provide public employees with satisfactory performance in public service first consideration in filling civil service positions.

Your Committee finds that Act 253, Session Laws of Hawaii 2000, repealed that portion of section 76-22.5, Hawaii Revised Statutes, that required the Director of Human Resources Development to give first consideration to employees already within public service when determining the manner in which positions would be filled. It is unclear whether appropriate rules or policies have been established since Act 253 was enacted to provide a preference for current public employees under the merit system. Your Committee believes that the need to recruit and retain qualified employees, especially during these times of low unemployment rates, necessitates the establishment of a clear policy on the issue under the law.

Your Committee has amended this measure by clarifying that the current employee's experience must be reasonably related to the position being filled.

As affirmed by the record of votes of the members 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. 3011, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3011, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2859 (Majority) Ways and Means on S.B. No. 3012

The purpose of this measure is to allow a member of the Employees' Retirement System who is diagnosed with an incurable debilitating disease to qualify for ordinary disability retirement but continue working until the member is no longer able to do so.

Specifically, the measure:

- (1) Requires the Employees' Retirement System's medical board to render a decision on whether the member suffers from an incurable debilitating disease within thirty days of the receipt of the member's application for ordinary disability retirement;
- (2) Requires the Employees' Retirement System board of trustees to render a decision on the member's application for ordinary disability retirement within thirty days of receipt of the medical board's determination of eligibility for ordinary disability retirement; and
- (3) Establishes a definition for the term "incurable debilitating disease."

Your Committee finds that, under existing law, a member of the Employees' Retirement System can only qualify for ordinary disability retirement upon certification by the Employees' Retirement System's medical board that the member is permanently mentally or physically incapacitated and should be retired. However, your Committee further finds that some Employees' Retirement System members suffer from incurable debilitating diseases that have not yet progressed to the point where the members are unable to continue working. The measure would allow an Employees' Retirement System member suffering from an incurable debilitating disease to qualify for ordinary disability retirement but continue working until physically or mentally unable 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. 3012, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2860 Ways and Means on S.B. No. 3020

The purpose of this measure is to allow part-time, temporary, and seasonal or casual employees of the State, who do not already have health insurance coverage, to be eligible for health insurance benefits under the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that, according to the University of Hawaii Social Science Research Institute, approximately six thousand civilian government employees in Hawaii are without health insurance. Many of these public employees are without health insurance due to their employment status as part-time or temporary employees. Under existing law, the state and county governments are exempt from the Prepaid Health Care Act, which requires private employers to provide health insurance coverage to their employees. As a result, the State or a county need not provide health insurance coverage to its temporary or part-time employees. Part-time or temporary public employees are also specifically excluded from coverage under the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee also finds that current labor shortages and the need for individuals who are specially trained has necessitated the utilization of an increased number of less than ninety-day hires, as well as part-time employees, thus leaving a number of public employees without health insurance coverage. Your Committee believes that, to properly address the issue of providing health insurance coverage to individuals in the State, especially those that the State may hire on contract or as part-time or seasonal employees, the State must first determine the scope of the problem.

Accordingly, your Committee has amended the measure by deleting its substance and inserting provisions that require the Hawaii Employer-Union Health Benefits Trust Fund to conduct a study on the cost and other impacts of providing health insurance coverage to part-time, temporary, and seasonal or casual employees of the State who do not already have health insurance coverage.

As affirmed by the record of votes of the members 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. 3020, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3020, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2861 (Majority) Ways and Means on S.B. No. 3022

The purpose of this measure is to provide funding to the Department of Labor and Industrial Relations and county workforce investment boards for workforce development activities.

Specifically, the measure amends Act 249, Session Laws of Hawaii 2005 (Act 249), relating to employment security, by:

- (1) Repealing the appropriation of funds for fiscal year 2005-2006, that were not released by the Governor;
- (2) Amending the appropriation amounts for fiscal year 2006-2007 by providing:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;
 - (C) \$2,000,000 to the Kauai Workforce Investment Board;

- (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
- (E) \$2,604,450 to the Department of Labor and Industrial Relations;
- (3) Removing the requirement that funds appropriated to the County of Hawaii Workforce Investment Board be expended for the eradication of coqui frogs and other invasive species; and
- (4) Repealing section 4 of Act 249, which specified a priority of when funds appropriated to the Department of Labor and Industrial Relations were to be released and provided an exemption from the allotment system usually utilized by the executive branch to disburse funds to agencies.

Your Committee finds that Act 249 authorized the utilization of 2002 federal Reed Act funds to, among other things:

- (1) Provide seed money to the Department of Labor and Industrial Relations for a workforce development computer system;
- (2) Provide funding to the four counties' workforce investment boards to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of one-stop career centers; and
- (3) Provide funds to the Oahu Workforce Investment Board to partner with the Leeward Community College to provide federal Wagner-Peyser services for immigrants from the Freely Associated States.

In addition, Act 249 provided for the appropriation of funds from the unemployment trust fund to improve the services of the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations. Within the appropriations made to the several county workforce investment boards, the moneys appropriated to the County of Hawaii were to be expended on the eradication of coqui frogs and other invasive species. Unfortunately, no funds appropriated under Act 249 have been expended by the specified entities.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purpose 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. 3022, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3022, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2862 (Majority) Ways and Means on S.B. No. 3031

The purpose of this measure is to require continued medical services to an injured employee involved in a workers' compensation dispute with the employee's employer or the employer's insurer until the Director of Labor and Industrial Relations makes a decision on continuation of treatment.

Your Committee finds that, presently, medical services provided to an injured employee may be suspended or delayed if a dispute arises with respect to the workers' compensation coverage of the injured employee. Delays caused by Department of Labor and Industrial Relations' hearings to resolve the dispute, or delays caused by insurers for various reasons, may result in aggravating the employee's injury or cause the employee to miss more work than originally expected. The delays may also increase the costs of the employee's medical treatment and ultimately increase workers' compensation premium costs for the employer.

To prevent this needless physical aggravation to the employee and possible spiraling medical costs for the workers' compensation system and the employer, this bill provides a reasonable and civil solution for all parties involved to promote cost effective medical services management and an expeditious return to work for the employee.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3031, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2863 (Majority) Ways and Means on S.B. No. 3034

The purpose of this measure is to extend the requirements of chapter 104, Hawaii Revised Statutes, relating to the payment of prevailing wages in public work projects to indirect public works.

The measure defines "indirect public work project" as any project relating to real or personal property that has or will receive a government benefit, including a construction contract between private parties if more than twenty-five per cent of the assignable square feet of the project is leased for use by the State or any county and where the lease was signed prior to commencement of the project or construction work is performed according to plans or specifications established by the State or any county.

Your Committee amended this measure by:

- (1) Including in the definition of "indirect public work project" any housing project developed pursuant to chapter 201H (housing finance and development administration); and
- (2) Making technical nonsubstantive changes for 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. 3034, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3034, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2864 (Majority) Ways and Means on S.B. No. 3035

The purpose of this measure is to establish that only the Director of Labor and Industrial Relations is authorized to decide whether to terminate the temporary total disability benefits of an employee who has not actually returned to work.

Your Committee finds that corrective action is warranted to prevent the disruption of temporary total disability benefits by employers in workers' compensation cases. Such disruption is counterproductive and imposes a serious impediment to the cost-effective treatment and recovery of injured employees.

Your Committee has amended this measure by clarifying the stated purpose of the bill and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3035, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3035, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2865 Ways and Means on S.B. No. 3090

The purpose of this measure is to require the Director of Labor and Industrial Relations to establish standardized forms for health care providers to use for workers' compensation reports and billings.

Your Committee finds that this measure will streamline reporting and billing. Furthermore, it will promote efficiency by making it easier for insurers, third party administrators, and self-insured employers to screen incoming reports and bills.

Your Committee has amended this measure by changing the effective date to July 1, 2007, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3090, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3090, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hemmings).

SCRep. 2866 (Majority) Ways and Means on S.B. No. 640

The purpose of this measure is to improve the educational system in Hawaii.

Specifically, this measure establishes a salary commission to recommend salaries for members of the Board of Education and prescribes the operation of the commission. This measure deletes the per diem paid to board members but adds a protocol allowance to cover board members' expenses incurred in the course of a member's duties and responsibilities. The measure, upon its approval, takes effect upon the ratification of a constitutional amendment that makes the Department of Education a political subdivision headed by the Board of Education.

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

- (1) Adding a new section 3 making a conforming amendment to the education law to appropriately require board members to serve on a full-time basis, and re-numbering the remaining sections of the bill accordingly;
- (2) Clarifying that the salary commission terminates on July 1, 2008, and on June 30 every four years thereafter in which it submits recommendations to the Legislature;
- (3) Making the Act take effect on July 1, 2095 and upon the ratification of a constitutional amendment that makes the Department of Education a political subdivision headed by the Board of Education; and

- (4) Making technical nonsubstantive amendments for the 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. 640, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 640, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2867 Ways and Means on S.B. No. 1659

The purpose of this measure is to enable Department of Education charter schools to receive federal grant moneys under the Individuals with Disabilities Education Act.

Your Committee finds that most of the amendments proposed by this bill were made by Act 85, Session Laws of Hawaii 2005. Your Committee has amended the bill by:

- (1) Deleting the proposed changes that were already made in 2005;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical nonsubstantive amendments for the purpose 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. 1659, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1659, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2868 Ways and Means on S.B. No. 2071

The purpose of this measure is to provide funding for previously approved pay increases for coaches and assistant athletic directors.

Your Committee finds that funds were appropriated by Act 315, Session Laws of Hawaii 2001, to increase the base stipend paid to assistant athletic directors and coaches for fiscal years 2001-2002 and 2002-2003. Your Committee further finds that funds were not appropriated to fund further increases in stipends for fiscal years 2003-2004 and 2004-2005 as required by Act 315.

Your Committee further finds that pay increases for assistant athletic directors and coaches, based on the current teachers' collective bargaining agreement, were not funded for fiscal years 2005-2006 and 2006-2007. The funds appropriated by this measure will fulfill the State's previously established obligations to coaches and assistant athletic directors.

Your Committee has amended this measure by:

- (1) Changing the amount to be appropriated to an unspecified amount to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2071, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2071, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2869 (Majority) Ways and Means on S.B. No. 2072

The purpose of this measure is to appropriate funds to establish and fill 16.5 permanent FTE athletic health care trainer positions in the public schools that would be assigned and filled based upon criteria established by the Department of Education.

Your Committee finds that additional athletic health care trainers are necessary to provide quality care for student athletes. An increase in the number of teams and participants in multiple athletic venues has shifted the focus of care from conditioning, injury prevention, and rehabilitative programs to injury management. Additional qualified athletic health care trainers are necessary to shift the focus back to conditioning, injury prevention, and rehabilitation. Your Committee finds that these positions should be made permanent and classified within the appropriate collective bargaining unit.

Your Committee has amended this measure by:

- (1) Making an unspecified appropriation for medical and rehabilitation supplies for athletic health care trainers; and

- (2) Making technical nonsubstantive amendments for purposes of clarity, 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. 2072, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2072, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2870 (Majority) Ways and Means on S.B. No. 2229

The purpose of this measure is to expand the teacher housing program that is to be prospectively administered by the Department of Education beginning on July 1, 2006.

Specifically, the measure:

- (1) Clarifies that, to qualify for the teacher housing program, the teacher must be assigned and employed by the Department of Education;
- (2) Establishes that the unexpended proceeds of general obligation bonds issued for the purpose of constructing teacher housing, housing rental payments received by the State from public school teachers, and moneys received from the repayment of teacher housing downpayment loans are to be deposited into the teachers' housing revolving fund;
- (3) Expands the uses of the teachers' housing revolving fund to include the financing and repair of teachers' housing; and
- (4) Establishes a teacher downpayment loan program that includes loan qualification, borrower restriction, and default provisions.

Your Committee has amended the measure by:

- (1) Replacing the phrase "repayment loan" with the phrase "downpayment loan" on page 5, line 15, to conform the phrase to the rest of the references in the measure;
- (2) Changing the effective date from July 1, 2006, to July 1, 2050; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the measure will assist the Department of Education in its efforts to attract and retain qualified teachers.

As affirmed by the record of votes of the members 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. 2229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2229, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Trimble). Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2871 Ways and Means on S.B. No. 2305

The purpose of this measure is to improve services and activities available to veterans in the State by making changes to the policy advisory board on veterans' services.

Specifically, the measure:

- (1) Places the policy advisory board on veterans' services within the Office of Veterans' Services of the Department of Defense;
- (2) Increases the membership of the policy advisory board on veterans' services from seven members to twelve;
- (3) Increases the number of members that are required to be veterans from five to six; and
- (4) Requires at least one member each to reside in the counties of Kauai and Maui, two members to reside in the county of Hawaii, and four members to reside in the city and county of Honolulu.

Your Committee notes that, as the number of veterans living in the State continues to increase, the need for services and activities available to veterans multiplies correspondingly. To ensure fair and equal representation of Hawaii's veterans, this measure requires that members of the policy advisory board reside in each county in numbers that reflect the size of the community served.

Your Committee has amended this bill by:

- (1) Changing the number of members of the policy advisory board from twelve members to eight members, not including the four ex-officio members;

- (2) Limiting determinations of quorum to the presence of regular board members; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2305, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2305, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2872 Ways and Means on S.B. No. 2587

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in a total amount not to exceed \$6,000,000 for the purpose of assisting Kawaihāo School, a Hawaii not-for-profit private elementary school that serves the general public, to finance the planning, construction, and improvement of its educational facilities in the State.

Your Committee amended this measure by:

- (1) Adding a section to allow the Department of Budget and Finance to aggregate this project with other similar projects into a single issue of special purpose revenue bonds; and
- (2) Making technical nonsubstantive changes for 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. 2587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2587, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2873 (Majority) Ways and Means on S.B. No. 2648

The purpose of this measure is to appropriate funds to authorize the state Office of Veterans' Services to publish informational newsletters to assist Hawaii's military veterans.

Your Committee finds that the State lacks a reliable and effective method of communicating important information to Hawaii's military veterans, especially those returning from deployment to the Persian Gulf, Afghanistan, and Iraq. This lack of information prevents veterans from utilizing critical outreach and counseling services and participating in upcoming veteran-related events and military ceremonies.

Information regarding outreach and counseling services are extremely important to returning veterans, many of whom are struggling with some form of readjustment problem due to the dangers they faced fulfilling their military duties.

This bill would provide the necessary funds to ensure that veterans are better informed of veteran-related assistance programs and events to lead healthy and productive lives.

Your Committee has amended the bill by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion on the matter; and
- (2) Making technical nonsubstantive changes 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. 2648, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2648, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2874 Ways and Means on S.B. No. 2650

The purpose of this measure is to exempt a passenger motor vehicle owned by a member of the Hawaii National Guard or any of the federal reserves from state and county vehicular fees and taxes.

To qualify for the exemption, the member had to be domiciled in Hawaii and in good standing.

Your Committee has amended this measure by:

- (1) Further requiring that the member:

- (A) Be a member of a unit;
 - (B) Have been ordered to active federal service; and
 - (C) Have been deployed during calendar year 2005 to a combat zone or a qualified hazardous duty area, as designated by the Internal Revenue Code of 1986, as amended; and
- (2) Limiting the exemption to a three-year period; and
 - (3) Making technical nonsubstantive changes for 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. 2650, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2650, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2875 Ways and Means on S.B. No. 2652

The purpose of this measure is to preserve the rights and benefits of the civil service employees of new century conversion charter schools.

The measure accomplishes this by establishing that Department of Education civil service employees whose school has become a new century conversion charter school are to retain their civil service status in the Department of Education's human resources civil service system.

The measure also establishes that Department of Education employees who are exempt from civil service and who also work at a school that has become a new century conversion charter school shall be entitled to all the rights and benefits of other civil service employees of the Department of Education.

Your Committee finds that preserving the civil service status of charter school employees is an important step in supporting education and new century conversion charter schools.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purposes of style and clarity and to correct a formatting error.

As affirmed by the record of votes of the members 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. 2652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2652, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2876 Ways and Means on S.B. No. 2704

The purpose of this measure is to recognize a single source of funding for school-level minor repair and maintenance programs.

Your Committee finds that public schools may use two sources of funding for school-level repair and maintenance projects: an account in the general fund and an account in the school-level minor repairs and maintenance special fund. Act 51, Session Laws of Hawaii 2004, however, implemented the weighted student formula, which calculated funding for schools based upon certain factors. One of those factors used to calculate the weighted student formula is programs that are financed by the general fund, such as a general fund account for school-level repair and maintenance programs.

This bill removes references to a school-level repair and maintenance account in the general fund because those funds are already accounted for in weighted student formula calculations. School-level repair and maintenance projects, however, will still be addressed by individual schools through the remaining funding source--an account in the school-level minor repairs and maintenance special fund.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2704, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2877 Ways and Means on S.B. No. 2705

The purpose of this measure is to permit the Department of Education to employ retired teachers and administrators to teach full-time in teacher shortage areas identified by the Department, provided the retirees have been retired for one calendar year.

In addition, the measure authorizes the rehired teachers to serve as mentors to new classroom teachers immediately upon being rehired and provides that the retired teacher or administrator who returns to the classroom continue to be entitled to retirement benefits without penalty.

Your Committee finds that many long time teachers of the "baby boom" generation are retiring, leaving difficult to fill vacancies. Existing shortages in certain teaching fields or geographic areas makes the teacher shortage caused by retirement even more difficult. Your Committee believes that this measure will allow the Department of Education to alleviate the teacher shortage by rehiring experienced teachers. The bill also benefits new teachers by providing mentors to assist new classroom teachers.

As affirmed by the record of votes of the members 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. 2705, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2878 Ways and Means on S.B. No. 2707

The purpose of this measure is to provide a formula by which the Department of Education is to allocate funds to new century charter schools for rent or lease payments and repair, maintenance, and improvements to these charter schools.

The bill also provides a schedule for the allocation of the funds.

Your Committee finds that, for many students, new century charter schools fulfill a meaningful alternative to traditional public schools. This measure will provide consistent funding for rent or lease payments, and repair and improvement for these charter schools, which will assist new century charter schools in providing a quality education in appropriate and safe facilities.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2006, to coincide with the beginning of the fiscal year since the measure contains an appropriation; and
- (2) 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. 2707, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2707, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2879 Ways and Means on S.B. No. 2708

The purpose of this measure is to establish a statewide public school facilities impact fee for new residential developments proportionate to their impacts on public school facilities.

This measure sets forth the amount of impact fees to be paid by a residential development per unit, including single family detached, single family attached, and duplex dwellings, apartments, and condominiums, based on the assessment district the residential development is situated in. Any impact fee assessed and collected shall be deposited in the school impact fee special fund and may only be expended in the benefit district that the assessment district is located. Further, impact fees collected may only be expended on the costs of school construction and may not be expended on operational expenses of existing schools or on the cost of acquiring land for school facilities.

Your Committee has amended this measure by:

- (1) Deleting its contents and extending the working term of the school impact fee working group established pursuant to Act 246, Session Laws of Hawaii 2005, for one year;
- (2) Making an appropriation of an unspecified sum to facilitate further discussion on this matter; and
- (3) Making technical nonsubstantive changes for 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. 2708, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2708, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2880 Ways and Means on S.B. No. 2718

The purpose of this measure is to establish a financial limit on the total per pupil contribution that a nonprofit organization is required to contribute to a new century conversion charter school.

Presently, nonprofit organizations affiliated with new century charter schools must contribute to the school with the Department of Education, on a 4:1 matching basis, with the Department providing the larger share. This open-ended arrangement, however, has resulted in the inability by nonprofit organizations to accurately predict their financial obligations to the school.

This measure would provide nonprofit organizations with defined pupil contribution limits to assist them in stabilizing their financial and strategic plans.

As affirmed by the record of votes of the members 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. 2718, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2881 Ways and Means on S.B. No. 2719

The purpose of this measure is to create a new public charter school law and to adopt a number of proposals recommended by the task force on charter school governance established by Act 87, Session Laws of Hawaii 2005.

Specifically, the measure:

- (1) Establishes a new chapter in the Hawaii Revised Statutes for the administration and governance of charter schools;
- (2) Creates clarity in the establishment of both start-up and conversion charter schools;
- (3) Clarifies the powers and duties of the charter school administrative office;
- (4) Limits the number of new charter schools established annually; and
- (5) Empowers local school boards to negotiate collective bargaining agreements.

Your Committee finds that charter schools provide an alternative style and setting for public school education that is appropriate for a number of Hawaii students. To make charter schools more effective and efficient for these students, your Committee believes that this measure is necessary to create consistency and to clarify laws relating to the governance of charter schools.

Your Committee has amended this measure by:

- (1) Amending the definition of "charter school" and "conversion charter" school and including a new definition of "start-up charter school" to clarify the distinction between the two types of charter schools;
- (2) Clarifying that, as of July 2007, the limit on charter schools allows up to four new start-up charter schools each year;
- (3) Moving language specifying that a nonprofit organization seeking to operate or manage a conversion charter school is required to make a minimum financial contribution to the school from the definition of "nonprofit organization" to an operative provision;
- (4) Deleting language that allows only programs or sections of existing public school populations, as opposed to the public school itself, to use existing public school facilities to start a conversion charter school;
- (5) Clarifying that charter schools are exempt from "applicable" state laws, not all other state laws;
- (6) Deleting language relating to exempt civil service employees;
- (7) Amending certain responsibilities of the Department of Education and special education services relating to charter schools to conform to existing law;
- (8) Deleting amendments to sections 26-12; 302A-301; 302A-1101; 302A-1111; and 302A-1128, Hawaii Revised Statutes;
- (9) Deleting the proviso relating to the effective date;
- (10) Changing the effective date to July 1, 2050; and
- (11) Making technical nonsubstantive changes for the 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. 2719, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2719, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2882 Ways and Means on S.B. No. 2720

The purpose of this measure is to amend certain provisions of Act 51, Session Laws of Hawaii 2004, otherwise known as the Reinventing Education Act of 2004.

Specifically, the measure:

- (1) Repeals the transfer to the Department of Education of:
 - (A) The negotiation of workers' compensation claims and labor management relations functions currently performed by the Department of the Attorney General for the Department of Education; and
 - (B) The conducting of employment background checks for after school plus program employees, private vendors, and other employees and trainees who work with public school students currently performed by the Department of Human Services for the Department of Education;
- (2) Delays the deadline for transfer of functions from the Departments of Budget and Finance and Health to the Department of Education from July 1, 2006, to July 1, 2007.

The measure also repeals the requirement that the Department of Budget and Finance transfer to the Department of Education all property under its control relating to the funding of collective bargaining agreement increases or administering federal funds on behalf of the Department of Education.

Your Committee finds that the Interagency Working Group's initial recommendations regarding the transfer of functions from the Department of the Attorney General and Department of Human Services to the Department of Education should not be enacted. Your Committee also finds that additional time is necessary to ensure the smooth transfer of functions and personnel from the Departments of Budget and Finance and Health to the Department of Education.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2720, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2720, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2883 Ways and Means on S.B. No. 2732

The purpose of this measure is to ensure that the individualized education program of each blind or visually impaired child includes provisions for instruction in braille.

Your Committee finds that this measure is necessary to ensure the economic well-being of the blind and visually impaired.

Your Committee has amended this measure by:

- (1) Requiring the individualized education program to specify the length of period of instruction and the frequency and duration of a typical instructional session;
- (2) Changing the certification standards for teacher proficiency in braille to those adopted by the National Library Science for the Blind and Physically Handicapped;
- (3) Changing the effective date to July 1, 2007; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2732, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2732, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2884 Ways and Means on S.B. No. 2738

The purpose of this measure is to authorize the issuance of general obligation bonds to supplement a funding shortfall in acquiring land to expand Kahuku high and intermediate school.

Your Committee finds that the additional funding is needed in order to complete a three-party land exchange and purchase that will enable the State to acquire a more suitable and safer site for the school.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2006; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2738, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2738, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2885 Ways and Means on S.B. No. 2821

The purpose of this measure is to create and fund two full-time children's librarian positions at Waialua Library and Kahuku Public School Library.

Your Committee finds that there is currently a part-time children's librarian at the Waialua Library and another part-time children's librarian at the Kahuku Public School Library. Your Committee also finds that the demand for children's library services in Waialua and Kahuku exceeds the current capacity and believes that a total of two full-time library positions would benefit these communities.

Your Committee has amended the measure by deleting the specific amount appropriated and changing it to an unspecified amount to ensure continued discussion. Your Committee has also made technical nonsubstantive amendments for 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. 2821, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2821, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2886 Ways and Means on S.B. No. 2836

The purpose of this measure is to appropriate funds to address the repair and maintenance backlog of the Department of Education.

Your Committee finds that the state educational facilities improvement special fund is used to plan, design, construct, maintain, and acquire lands for public school facilities. The special fund, however, is currently overwhelmed with repair project requests. Years of under-funding maintenance projects has culminated in a massive school repair and renovation crisis.

This bill would allow the Department of Education to catch-up with its backlog to provide a safe and comfortable learning environment for students, faculty, and staff.

Your Committee has amended the bill by deleting the proposed amendments and instead providing an unspecified amount to serve as a base to determine the amount of general excise tax revenues that are deposited into the State Educational Facilities Improvement Special Fund under section 237-31(1), Hawaii Revised Statutes, relating to general excise tax remittances.

As affirmed by the record of votes of the members 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. 2836, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2836, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2887 Ways and Means on S.B. No. 2838

The purpose of this measure is to help decrease the number of students who are at-risk of becoming alienated from school or dropping out of school before meeting high school graduation requirements.

Your Committee finds that prevention and intervention programs directed at at-risk students help to improve their academic performance and personal development.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity and style. Your Committee has also changed the appropriation to an unspecified amount to ensure 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. 2838, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2838, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2888 (Majority) Ways and Means on S.B. No. 2884

The purpose of this measure is to improve education outcomes and public confidence in schools by providing funds for training and other support for school community councils.

Your Committee finds that the department of education, the board of education, and the school community councils need to work together to propose an entity to conduct future training and support for school community councils.

Your Committee has amended this measure by changing the appropriation to an unspecified amount to ensure 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. 2884, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2884, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Hemmings). Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2889 (Majority) Ways and Means on S.B. No. 2886

The purpose of this measure is to establish a means by which veterans who were drafted and certain persons affected by wartime practices may obtain a high school diploma.

Specifically, the measure directs the Department of Education to establish a program to award graduate equivalency diplomas to military veterans drafted during World War II, the Korean Conflict, and the Vietnam War, as well as individuals whose schooling was interrupted due to wartime practices such as Japanese and Japanese-American internees during World War II.

Your Committee finds that establishing a program to provide these diplomas to resident veterans is long overdue and reflects the appreciation, respect, and recognition owed to these veterans.

Your Committee has amended the measure by:

- (1) Including language to cover the fact that Hawaii was a territory during World War II;
- (2) Clarifying that only those internees who were interned for reason of their ethnicity qualify for the program; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2886, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2886, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2890 (Majority) Ways and Means on S.B. No. 2956

The purpose of this measure is to provide resources and flexibility to the Department of Education for the operation and repair and maintenance of Hawaii's public schools.

More specifically, the measure:

- (1) Makes an appropriation for the repair and maintenance of public school facilities;
- (2) Authorizes the Director of Finance to issue general obligation bonds for capital improvement projects for the Department of Education;
- (3) Establishes and funds a new school construction special fund; and
- (4) Allows the Department of Education to enter into financing agreements for the construction of new school facilities without the approval of the Director of Finance but with the approval of the Attorney General as to form and legality.

Your Committee believes that these measures will expedite the construction of much needed new public school facilities.

Your Committee has amended this measure by:

- (1) Making all appropriations unspecified to facilitate further discussion of this matter; and
- (2) Making technical nonsubstantive changes for consistency and 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. 2956, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2956, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2891 Ways and Means on S.B. No. 2980

The purpose of this measure is to ensure that the future construction workforce is sufficient to meet industry demand.

More specifically, the measure appropriates funds to expand the existing construction academy program from eight to twenty-six public high schools and to expand the apprenticeship training programs at Honolulu community college, Hawaii community college, Maui community college, and Kauai community college.

Your Committee finds that, due to the current and projected construction boom in the State of Hawaii, there is a critical shortage of qualified workers in the trades. Some believe the labor shortage will be exacerbated by the need for skilled workers on the hurricane-ravaged Gulf Coast and in other regions with housing booms. It is estimated that, nationwide, the construction industry will need to add one hundred thousand jobs each year through 2012, while also filling an additional ninety thousand openings created by retirements.

In the fall of 2005, Honolulu Community College and the Department of Education launched the Construction Academy in partnership with eight Hawaii public high schools. The program allows high school students to take classes in various construction trades at their respective high schools while earning credits towards an associate degree at an affiliated community college at the same time. The first graduating class in 2005 generated such excitement and promise on the high school campuses that the Construction Academy organizers hope to expand the program to include other public high schools and community colleges, particularly on the neighbor islands.

Your Committee has amended this measure by:

- (1) Changing the sums to be appropriated to unspecified amounts to permit further consideration of the appropriate figures; and
- (2) Making technical nonsubstantive changes for 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. 2980, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2980, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2892 Ways and Means on S.B. No. 3054

The purpose of this measure is to assist Hawaii's charter schools with respect to facilities improvement and financial stability.

Specifically, the measure:

- (1) Appropriates an unspecified amount of general funds as seed funds for the Charter School Administration Office to plan, organize, and develop a Charter Schools Facilities Fund Partnership; and
- (2) Authorizes the Department of Land and Natural Resources to enter into lease agreements with charter schools to lease lands and buildings under its control, for nominal consideration, for charter school facilities.

Your Committee finds that establishing a Charter Schools Facilities Fund Partnership to encourage public-private collaboration to improve and repair charter school facilities and authorizing the Department of Land and Natural Resources to enter into lease agreements with charter schools to lease lands and buildings under its control for charter school facilities would be a cost-effective means of assisting charter schools in enhancing their learning environments.

Your Committee has amended the measure 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. 3054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3054, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2893 (Majority) Ways and Means on S.B. No. 3059

The purpose of this measure is to appropriate funds to establish a model curriculum to meet the state performance standards under the federal No Child Left Behind Act of 2001.

Your Committee finds that Hawaii's public school system does not have a standardized, statewide curriculum to meet its objectives and goals. Without a standardized curriculum, individual teachers, grade levels, and schools establish curriculum independently of one another. This practice could result in the same curriculum taught at different grade levels resulting in students learning the same lesson at each grade.

By requiring a model curriculum in public schools, this measure would ensure optimum academic efficiency in all grade levels to ensure that the performance standards required under the federal No Child Left Behind Act of 2001 are met.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount and changing the effective date to July 1, 2050 for the purpose of continuing discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3059, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3059, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 4 (Fukunaga, Inouye, Kokubun, Nishihara).

SCRep. 2894 Ways and Means on S.B. No. 3093

The purpose of this measure is to appropriate moneys to implement technological initiatives and enhanced automation requirements mandated by Act 51, Session Laws of Hawaii 2004 (Act 51), and to streamline and increase the automation level of key operational processes in the Department of Education.

Your Committee finds that it is necessary to upgrade and integrate the Department of Education's existing fragmented information systems and provide a comprehensive, information system infrastructure to effect the kind of changes outlined in Act 51, otherwise known as the Reinventing Education Act of 2004.

Your Committee has amended this measure by deleting the specific amount appropriated to ensure 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. 3093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3093, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2895 (Majority) Ways and Means on S.B. No. 3101

The purpose of this measure is to appropriate funds to implement the recommendations of the Early Childhood Education Task Force and to establish the Early Learning Authority.

Your Committee finds that Act 151, Session Laws of Hawaii 2005, established an Early Childhood Education Task Force at the University of Hawaii to study the issue of early childhood education in the State.

The primary recommendation of the task force was the establishment of the Early Learning Authority to develop, implement, and provide for the sustainability of a coherent, comprehensive early learning system that maximizes public and private resources to provide early learning opportunities for all young children in the State up to the age of eight.

This measure appropriates funds to establish and require the Authority to:

- (1) Develop standards and desired outcomes and systems to evaluate early education programs;
- (2) Ensure a statewide integrated early childhood system;
- (3) Increase the quality of early childhood education through access to education and training of professionals; and
- (4) Provide funding for early childhood education programs.

This measure also allows the Authority to contract with a nonprofit organization to assist the Authority.

Your Committee has amended the measure by:

- (1) Changing the appropriation to an unspecified amount for the purpose of furthering discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3101, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3101, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2896 (Majority) Ways and Means on S.B. No. 3102

The purpose of this measure is to reduce the student-teacher ratio in public schools and provide additional teachers and staff in specialty areas.

Specifically, the bill requires a reduction in the ratio of students to teachers in grades one to five; grades six to eight; and grades nine to twelve. The Department of Education is directed to support class size reduction by providing additional staff in specialty areas where necessary or appropriate. Finally, the bill appropriates \$27,202,000 to phase in class size reduction beginning in school year 2006-2007, including hiring teachers and staff to implement the bill.

Your Committee finds that this bill is intended to provide additional staff for art, music, physical education, gifted and talented, technology, and other specialty areas. In addition, the hiring of more teachers, tutors, counselors, librarians, resource teachers, and other staff as necessary is mandated. The additional teachers and support staff mandated by the bill will permit smaller classes where the needs of each child may be more carefully monitored and the work environments of teachers and staff will be improved.

Your Committee has amended the bill by:

- (1) Changing the amount appropriated to an unspecified amount to promote continuing discussion on the matter; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3102, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3102, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Inouye, Kokubun).

SCRep. 2897 Ways and Means on S.B. No. 3136

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Saint Louis School.

Your Committee finds that this measure will allow the school to make substantial infrastructure improvements that will benefit its student body and the community at large. The bonds will allow the school to fund campus projects while minimizing its reliance on the monetary contributions of its alumni, parents, friends, and other financial alternatives.

Your Committee has amended this measure by:

- (1) Correcting a numerical amount regarding the expenditure for an administration or classroom building; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3136, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3136, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Inouye, Kokubun).

SCRep. 2898 (Majority) Ways and Means on S.B. No. 3194

The purpose of this measure is to improve teacher compensation and incentives.

The measure is separated into seven substantive parts as follows:

- (1) Part I establishes salary increases for teachers and creates a comprehensive evaluation process for teachers;
- (2) Part II provides tax incentives such as:

- (A) A tax credit for public school teachers, depending upon their years of service;
 - (B) A tax credit for developers who lease state-owned lands to build housing for lease or rental for teachers employed in hard-to-staff public schools;
 - (C) A tax credit for landlords who provide housing for teachers employed in hard-to-staff public schools; and
 - (D) An income tax deduction for classroom supply expenses;
- (3) Part III:
- (A) Establishes a Master Teacher Training Program for qualified teachers to increase the quality of their skills and serve as resource to other teachers; and
 - (B) Amends the National Board Certification Incentive Program to allow teachers who have seven to twelve years of experience in the Department of Education time off to pursue the national certification;
- (4) Part IV provides a temporary teaching license to teachers who have:
- (A) A valid teaching certificate issued by the United States Department of Defense; and
 - (B) At least three years of teaching experience in a United States Department of Defense operated school;
- (5) Part V appropriates funds for the Department of Education's Teacher Cadet Program;
- (6) Part VI codifies the Department of Education's Professional Development School Program and appropriates funds for this purpose; and
- (7) Part VII appropriates funds for the Department of Education's Hawaii Educator Loan Program.

Your Committee has amended the measure by:

- (1) Deleting the specific tax credit amounts in Part II;
- (2) Clarifying requirements for teachers to qualify for the public school teacher tax credit;
- (3) Deleting the specific amounts appropriated in Parts VI and VII, and leaving those amounts unspecified; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the measure will assist the Department of Education in attracting and retaining qualified, dedicated, and motivated educators.

As affirmed by the record of votes of the members 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. 3194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3194, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2899 (Majority) Ways and Means on S.B. No. 3195

The purpose of this measure is to appropriate funds for a weighted student formula conversion program that provides supplementary allocations to schools adversely affected by the weighted student formula.

Your Committee finds that certain schools, especially the smaller schools, have been impacted by the weighted student formula. Your Committee is passing this measure to address this issue by increasing funding to the weighted student formula so that students in these schools may continue to receive necessary educational services.

Your Committee has amended this measure by:

- (1) Adding the contents of S.B. No. 2837, S.D. 1, to appropriate funds for school equipment, supplies, and services and reimburse teachers for personal funds spent on classroom and instructional teaching supplies;
- (2) Changing all appropriations to an unspecified amount to facilitate further discussions; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3195, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2900 Ways and Means on S.B. No. 3197

The purpose of this measure is to increase the per diem pay of substitute teachers and appropriate moneys to resolve the litigation between the Department of Education and substitute teachers regarding underpayment for past service.

Specifically, the measure amends the compensation provided to the three classes of substitute teachers as follows:

- (1) Class I - \$125 per full work day;
- (2) Class II - \$136 per full work day; and
- (3) Class III - \$147 per full work day.

The measure also establishes that the compensation of substitute teachers shall be tied to the salary or wage increases provided to licensed class II teachers of the Department of Education and appropriates moneys to pay for claims of substitute teachers under *Garner v. Department of Education* and *Klitternick v. Hamamoto*.

Your Committee finds that the failure to adequately compensate substitute teachers has been the source of unnecessary tension between the Department of Education and substitute teachers. This tension has resulted in harmful litigation that, your Committee believes, is detrimental to the educational environment of students. Your Committee views the measure as a vehicle to resolving this dispute.

Your Committee has amended this measure by:

- (1) Removing the specific per diem dollar amounts for each class of substitute teacher;
- (2) Removing the provision that links all classes of substitute teachers' pay increases to that of a licensed class II teacher represented by the Hawaii State Teachers Association;
- (3) Deleting the language within the appropriation section of the measure (section 3) that states that the moneys appropriated under the measure are to be used to resolve the claims of all other personnel who were underpaid in violation of section 302A-624(e), Hawaii Revised Statutes;
- (4) Deleting from the purpose section (section 1), the recitation that Judge Karen Ahn has already ruled on damages and compensation to be awarded to substitute teachers for the period between November 8, 2000, and June 30, 2005; and
- (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3197, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3197, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kanno, Hemmings).

SCRep. 2901 (Majority) Ways and Means on S.B. No. 3275

The purpose of this measure is to appropriate funds to the Department of Health to cover the cost of substance abuse assessments for uninsured students who violated the Department of Education's "zero tolerance" policy on alcohol and other drugs.

Your Committee finds that publicly-funded assessment services are needed for students who lack the necessary financial resources to obtain them, or who are uninsured. Otherwise, these students will not be allowed to return to school earlier than the Department of Education's original disciplinary determination.

Your Committee has amended this measure by changing the appropriation to an unspecified amount for the purpose of promoting continued discussion of the matter. 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3275, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3275, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2902 (Majority) Ways and Means on S.B. No. 2067

The purpose of this measure is to appropriate general funds for the loss mitigation grant program.

Your Committee finds that this measure is necessary to fully fund the loss mitigation grant program.

Your Committee has amended this measure by:

- (1) Changing the source of the appropriation from general funds to the hurricane reserve trust fund;
- (2) Adding a provision depositing those funds into the loss mitigation grant fund;
- (3) Changing the appropriations to an unspecified amount; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2067, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hemmings).

SCRep. 2903 Ways and Means on S.B. No. 2076

The purpose of this measure is to encourage the conversion of leasehold residential properties to fee simple.

This measure will exclude from gross income for state tax purposes, for the next five tax years beginning after December 31, 2006, one hundred per cent of the gain realized by a fee simple owner from the sale of a leased fee interest to:

- (1) The lessee of a residential house lot or multi-family residential leasehold unit; or
- (2) The association of apartment owners or the residential cooperative corporation of the multi-family residential property.

Your Committee has amended this measure by deleting its contents and inserting in its place the contents of H.B. No. 1554, C.D. 1, Regular Session of 2005. This amendment will:

- (1) Exclude from gross income for state tax purposes fifty per cent of the income derived by a fee owner from the sale of a leased fee interest in a residential leasehold house lot or multi-family residential leasehold unit to the lessee;
- (2) Limit the exclusion to not exceed \$75,000 in the aggregate for all taxpayers in the State in any year; and
- (3) Limit this exclusion to the tax year beginning after December 31, 2006, and ending prior to January 1, 2008.

As affirmed by the record of votes of the members 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. 2076, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2076, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Hooser, Kanno, Hemmings).

SCRep. 2904 (Majority) Ways and Means on S.B. No. 2143

The purpose of this measure is to regulate the money transmitter industry in Hawaii.

“Money transmission” means to engage in the business of selling or issuing payment instruments or of receiving money or monetary value for transmission to a location within or outside the United States by any and all means, including wire, facsimile, or electronic transfer. Money transmission does not apply to courier services.

Your Committee finds that the regulation of money transmitters is necessary to prevent:

- (1) The laundering of profits of illegal activities such as drug distribution, gambling, and prostitution;
- (2) Consumer losses from fraud and unsound business practices related to wiring money to a location outside the State; and
- (3) Illegal activities related to terrorism that utilize money transmission.

Your Committee finds that the regulation of money transmitters will establish consumer trust, ensure the integrity and fiscal soundness of the industry, and establish standards and criteria to ensure the proper conduct of money transmitters.

Your Committee has amended the bill by:

- (1) Clarifying on page 13, line 13, that the activities referred to in the bill relate to business activities; 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. 2143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2143, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 2 (Slom, Trimble). Excused, 5 (English, Inouye, Kanno, Kokubun, Hemmings).

SCRep. 2905 Ways and Means on S.B. No. 2239

The purpose of this measure is to provide the Wireless Enhanced 911 Board with greater discretion in making expenditures from the Wireless Enhanced 911 Fund.

The Wireless Enhanced 911 Board is charged with overseeing cost-recovery disbursements from the Wireless Enhanced 911 Fund to the public safety answering points and wireless carriers who incur expenses in providing wireless enhanced 911 services. This measure will allow the Wireless Enhanced 911 Board to determine by policy what expenses are necessary for the public safety answering points to provide wireless enhanced 911 service.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2060, to facilitate further discussion; and
- (2) 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. 2239, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2239, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2906 Ways and Means on S.B. No. 2248

The purpose of this measure is to ensure that charitable organizations that are not tax exempt disclose in solicitations whether charitable donations are tax deductible similar to requirements of charitable organizations that are tax exempt.

Specifically, this bill requires professional solicitors to disclose to contributors whether a donation will be tax deductible and allows the Attorney General to suspend or revoke the registration of a charitable organization or professional solicitor when the registrant has failed to completely file a financial report as required.

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

- (1) Deleting the amendments to the definitions of "solicit" and "solicitation" beginning on page 4, line 3, through page 6, line 4, and replacing it with amendments to the definition of "contribution" in section 467B-1, Hawaii Revised Statutes, pursuant to recommendations of the Attorney General;
- (2) Re-numbering the paragraphs under section 2 of the bill accordingly; and
- (3) Making technical amendments for the 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. 2248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2248, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2907 Ways and Means on S.B. No. 2282

The purpose of this measure is to update and streamline the insurance statutes to conform with federal law and national standards.

Your Committee finds that this measure is an administration bill that focuses only on departmental housekeeping matters and is intended to improve the efficiency of the Department of Commerce and Consumer Affairs.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2282, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2282, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Hooser, Kanno, Hemmings).

SCRep. 2908 Ways and Means on S.B. No. 2499

The purpose of this measure is to allow investment securities brokers and agents to pay the general excise tax on only the amount of a commission actually received, when the commission is divided among a number of persons.

Your Committee finds that this practice is already established for insurance agents and transactions between real estate brokers and salespersons. Your Committee also finds that it is fair and equitable to treat the security sales industry the same as the insurance and real estate sales industry by eliminating the pyramiding of general excise taxation of security brokers and their local agents.

Your Committee has amended this measure by:

- (1) Updating the terminology used to describe “insurance agents, general agents, subagents, and solicitors” to “insurance producers” to bring the section of law being amended by the measure into conformance with nomenclature used in the Insurance Code; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2499, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2499, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Hooser, Kanno, Hemmings).

SCRep. 2909 Ways and Means on S.B. No. 2545

The purpose of this measure is to extend the condominium management dispute resolution pilot program.

The program allows parties to an unresolved condominium dispute to request an administrative hearing before a hearings officer of the Office of Administrative Hearing in the Department of Commerce and Consumer Affairs.

This pilot program, established by section 28 of Act 164, Session Laws of Hawaii 2004, under the old condominium law, is scheduled for repeal on June 30, 2006. This measure will carry the pilot program forward under the new condominium law until June 30, 2008, and require the Director of Commerce and Consumer Affairs to report to the Legislature on the program twenty days prior to the convening of the 2007 and 2008 regular sessions.

Your Committee has amended this measure by:

- (1) Substituting new reporting language rather than amending Act 164;
- (2) Changing its effective date to facilitate further discussion on this matter; and
- (3) Making technical nonsubstantive changes for 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. 2545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Nishihara, Sakamoto).

SCRep. 2910 Ways and Means on S.B. No. 2571

The purpose of this measure is to promote the development of low and moderate income housing by not-for-profit private organizations.

Specifically, this bill proposes to amend the state constitution to:

- (1) Authorize the issuance of special purpose revenue bonds to assist not-for-profit private organizations in the development of low and moderate income housing; and
- (2) Combine into a single issue of special purpose revenue bonds two or more proposed issues of bonds to assist not-for-profit private organizations to develop low and moderate income housing in a total amount not exceeding the entire sum of the proposed separate issues.

Your Committee finds that the rapid increase in housing costs in recent years has made affordable housing one of the major problems for the people of the State. Special purpose revenue bond financing could be an appealing means that provides access to funds for affordable housing projects and infrastructure at less than the prevailing market rates. For large projects, it is possible that the cost savings would be significant. Affordable housing for Hawaii residents is one of the top concerns of this Legislature and your Committee supports this measure as a means to solve the State's housing crisis.

As affirmed by the record of votes of the members 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. 2571 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2911 Ways and Means on S.B. No. 2125

The purpose of this measure is to provide an income tax credit for purchases of "Energy Star" products.

Energy Star is a program sponsored by the Environmental Protection Agency and the federal Department of Energy to promote consumer and commercial equipment, products, and appliances that comply with energy efficiency program guidelines.

This bill provides a \$50 tax credit for purchases of Energy Star products with an aggregate retail price of at least \$300.

Your Committee finds that many consumers are reluctant to purchase Energy Star products because of their typically higher initial purchase price. This tax credit will assist consumers with purchases of Energy Star products to ultimately reduce the State's dependence on fossil fuels, preserve Hawaii's delicate environment, and reduce the need for new electric generation capacity.

Your Committee has amended the bill by making technical 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. 2125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2125, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Inouye, Kokubun).

SCRep. 2912 Ways and Means on S.B. No. 2572

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist not-for-profit organizations in the development of low and moderate income housing.

Your Committee finds that this measure will allow access to funds for affordable housing projects and infrastructure at less than the prevailing market rates. For large projects, the cost savings from lower interest rates could be quite substantial.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2572, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2913 Ways and Means on S.B. No. 2773

The purpose of this measure is to assist pineapple workers facing the impending closure of the Del Monte pineapple operations in Kunia, Oahu.

More specifically, this measure establishes and funds:

- (1) A program for low interest loans and grants for home acquisition and rehabilitation;
- (2) A rental assistance program for the rental of housing units in the private market; and
- (3) A home counseling program providing supportive services to prepare current renters for homeownership.

Your Committee believes that these programs will assist the pineapple workers in ensuring that they and their families will have a roof over their heads while going through the transition of finding new employment.

Your Committee has amended this measure by making technical nonsubstantive changes for consistency and 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. 2773, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2773, S.D. 3.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Kokubun).

SCRep. 2914 (Majority) Ways and Means on S.B. No. 2958

The purpose of this measure is to address the issues of providing affordable housing for residents of the State and sheltering the homeless.

Specifically, the measure implements many of the recommendations of the Joint Legislative Housing and Homeless Task Force, by:

- (1) Authorizing the Hawaii Housing Finance and Development Administration to lease lands at a nominal fee of \$1 per year for up to fifty years to certain organizations that will develop self-help dwelling units;
- (2) Authorizing the Hawaii Housing Finance and Development Administration to utilize state rent supplement funds for project-based operating subsidies for state low-income housing units that are transferred to the State from private organizations;
- (3) Allowing the state low-income housing tax credit to be used for construction and rehabilitation of existing affordable housing units;
- (4) Adjusting the allocation of conveyance tax revenues to provide that sixty-five per cent of conveyance tax revenues, instead of the usual thirty per cent, shall be paid into the Rental Housing Trust Fund for a period of five years;
- (5) Directing the Department of Land and Natural Resources to transfer certain lands suitable for affordable housing development to the Hawaii Housing and Finance Administration by December 1, 2006;
- (6) Appropriating \$20,000,000 in general fund revenues to the Hawaii Public Housing Administration to be used as grants for homeless and transitional housing assistance programs;
- (7) Appropriating \$10,000,000 in general fund revenues to the Hawaii Public Housing Administration to repair vacant public housing units; and
- (8) Appropriating \$400,000 in general fund revenues to the Hawaii Housing and Finance and Development Administration to provide interim construction loans for up to ten self-help development homes.

Your Committee has amended the measure by:

- (1) Deleting the findings section (section 1) and the section that adjusts the allocation of the conveyance tax (section 5) of the measure;
- (2) Reordering the measure into parts according to the substantive subjects of the homeless, low-income housing, and affordable housing;
- (3) Placing the remaining sections of the measure into each part as they relate to the subject headings;
- (4) Adding provisions from S.B. No. 2180 and S.B. No. 3048 to produce a measure that:
 - (A) Under the part for the homeless:
 - (i) Appropriates moneys for transitional housing;
 - (ii) Appropriates moneys for support services within homeless shelters;
 - (iii) Appropriates moneys for the Shelter Care Plus Program (program for the mentally ill and chronic substance abusers);
 - (iv) Appropriates moneys for housing placement programs for the homeless population; and
 - (v) Adds to the Hawaii Public Housing Administration's board of directors, one advocate for the homeless and low-income persons and one advocate with a disability or a person that advocates for persons with disabilities;
 - (B) Under the part for low-income housing:
 - (i) Amends low-income housing qualifications to provide that grandparents raising grandchildren shall be able to qualify and sets aside five per cent of low-income public housing units for this purpose;
 - (ii) Appropriates moneys to the Rental Housing Trust Fund; and

- (iii) Appropriates moneys for the repair and maintenance of state public housing projects; and
- (C) Under the part for affordable housing:
 - (i) Appropriates moneys to the Habitat for Humanity program;
 - (ii) Authorizes the issuance of an unspecified amount of general obligation bonds for the Hawaii Public Housing Administration to develop affordable housing; and
 - (iii) Establishes a mortgage credit certificate program to assist low- and moderate-income persons with purchasing a principal residence by providing qualified buyers with a state income tax credit that equals twenty per cent of their mortgage interest payment;
- (5) Changing the effective date to July 1, 2006, with the tax provisions being applicable to taxable years beginning after December 31, 2005; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the measure will further the discussion on the incentives and directives needed to provide an adequate supply of affordable housing for the residents of Hawaii and to shelter the homeless population 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. 2958, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2958, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Hooser, Kanno, Hemmings, Slom).

SCRep. 2915 (Majority) Ways and Means on S.B. No. 3112

The purpose of this measure is to suspend the collection of the general excise tax on motor vehicle gasoline for two years.

After due consideration, your Committee has amended the measure by deleting its contents and replacing it with a provision to suspend the collection of the general excise tax on gasoline and diesel fuel sold to a county transportation system for two years.

Your Committee finds that this measure will assist the counties to provide a more efficient transportation system that is responsive to the needs of transportation system users.

As affirmed by the record of votes of the members 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. 3112, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3112, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hooser, Kanno, Hemmings).

SCRep. 2916 (Joint/Majority) Intergovernmental Affairs and Human Services on S.C.R. No. 6

The purpose of this measure is to urge President Bush and the United States Congress not to privatize Social Security.

The Hawaii State Teachers Association and the League of Women Voters of Hawaii submitted testimony in support of this measure.

Your Committees find that Social Security is one of the most successful social insurance programs ever created. Social Security provides a level of financial security for nearly fifty percent of the nation's elderly population. It also administers disability and survivor's benefits. While opponents of the program argue that the decreasing ratio of workers to dependents will deplete the Social Security reserve by 2042, the ratio is actually relatively comparable to what it was in 1960.

Your Committees further find that the reform to Social Security proposed by the President George W. Bush Administration may add \$4,900,000,000,000 in debt over the next ten years.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Fukunaga, Kim, Trimble).

SCRep. 2917 Human Services on Gov. Msg. No. 276

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 276 PATRICIA LOCKWOOD, for a term to expire 6-30-2009

Your Committee received testimony in support of PATRICIA LOCKWOOD from the Department of Human Services, the Hawaii Family Forum, the Hawaii Catholic Conference, and two individuals.

Ms. Lockwood currently is the Executive Director of the Hawaii Centers for Independent Living, where she oversees its provision of independent living services, develops and implements community-based outreach programs on Oahu, and promotes the empowerment of people with disabilities. Prior to relocating to Hawaii, Ms. Lockwood managed independent living services in Montana and worked as a counselor in Colorado. She has served on the Statewide Council for Independent Living since July 2003, and is a member of the National Council on Independent Living and the Association of Programs in Rural Independent Living.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2918 Human Services on Gov. Msg. No. 291

Recommending that the Senate advise and consent to the nomination of the following:

STATE REHABILITATION COUNCIL

G.M. No. 291 RENE BERTHIAUME, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of RENE BERTHIAUME from the Department of Human Services, the Institute for Human Services, Inc., Rehabilitation Assessment & Planning Specialists, VFW Post 10583, and five individuals.

Mr. Berthiaume has worked with Hawaii's non-profit agencies for over thirty years. He developed and implemented a program that provides employment and training opportunities to disabled veterans on construction projects. As the Vice President and Housing Development Specialist for Network Enterprises, Inc., Mr. Berthiaume generates transitional and permanent housing for homeless veterans through planning, marketing, and other efforts.

Mr. Berthiaume was appointed to the State Rehabilitation Council in July 2003, and currently serves as its Chairperson. His extensive community service includes membership with numerous organizations, including the National Coalition for Homeless Veterans, the Hawaii Employers Council, and the Affordable Housing and Homeless Alliance. Mr. Berthiaume is the Senior Vice Commander of VFW Post 10583 and serves as a board member for the National Center on Disability Studies at the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 2919 Intergovernmental Affairs on S.C.R. No. 7

The purpose of this measure is to request the Governor to release \$4,500,000 to renovate and build a community center at the Makiki Community Library.

The Makiki Community Library Board, Friends of Makiki Community Library, and two individuals submitted testimony in support of this measure.

The Makiki Community Library has operated for twenty-eight years with a volunteer board and a handful of other dedicated and caring volunteers. The library doubles as a reading room and community center that serve the needs of surrounding community residents, including seniors, immigrants from Micronesia, and children, who are distant from other access to information services.

The transfer of library services from the counties to the State was expected to enhance information services. In 2004, the Legislature approved a \$4,500,000 appropriation to repair and avoid further deterioration, and to build an actual community center at the historic library. In 2005, the City and County of Honolulu started renovations, including the installation of an ADA-compliant elevator and a ground floor bathroom. However, the \$1,700,000 that the City and County of Honolulu will expend will only address the bare structural necessities.

Your Committee finds that the State indicated its support of this project by making the appropriation in 2004. This measure demonstrates the Legislature's steadfast commitment to the Makiki Community Library project by requesting the Governor to release the funds for the intended purpose so that the project can be completed.

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

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 7, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kim).

SCRep. 2920 Labor on Gov. Msg. No. 231

Recommending that the Senate advise and consent to the nomination of the following:

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

G.M. No. 231 MARIE LADERTA, for a term to expire 12-04-06

Upon review of background information submitted by the nominee, your Committee finds that Marie Laderta is a graduate of Maryknoll High School on Oahu who holds a Bachelor of Arts degree in English from Marquette University in Milwaukee, Wisconsin and a Juris Doctor from the John Marshall School of Law in Chicago, Illinois. Ms. Laderta began her career as a bilingual teacher at Lunalilo Elementary School and was also employed in the airline industry at Philippine Airlines and Northwest Airlines. After graduating from law school, Ms. Laderta practiced intellectual property law in Chicago, Illinois until returning to Hawaii to serve as an associate with the law firms of Turk and Agena and Leavitt, Yamane, and Soldner. She began her career in public service in 1998 as a Deputy Attorney General in the Tort Litigation Division where she quickly advanced to a supervisory role and was subsequently honored as the Department of the Attorney General's Manager of the Year for 2002. Ms. Laderta also served as the Deputy Director of the Department of Taxation until her interim appointment as the Director of the Department of Human Resources Development (DHRD) on August 17, 2005.

Testimony in support of the nominee was submitted by the Department of Accounting and General Services, the Director and Deputy Director of the Department of Budget and Finance, the Chair of the Board of Agriculture, the Employee Relations Division Chief of DHRD, the Personnel Program Supervisor and the Manager for the Employee Classification and Compensation Division of DHRD, the Special Assistant to the Director of DHRD, the Administrative Services Officer for DHRD, the staff of the Employee Relations Division, Labor Relations Office of DHRD, the Personnel Program Administrator for DHRD, the Personnel Program Administrator for the Employee Staffing Division of DHRD, the Claims Management Branch Chief for DHRD, the Information Technology Services Officer for the Department of Taxation (DOTax), the Human Resources Director of the Judiciary, the Compliance Division Administrator for DOTax, the Taxation Services Administrator for DOTax, the Tax and Research Planning Officer for DOTax, the Administrative Rules Specialist for DOTax, the Director of Human Resources for the City and County of Honolulu, the Director of Personnel for the County of Hawaii, the Director of Personnel Services for the County of Maui, the State of Hawaii Organization of Police Officers, Hawaii Health Systems Corporation, Project Manager for CGI-AMS, the Director of Consulting Services for CGI-AMS, the Director of DOTax, the United Public Workers, AFSCME, Local 646, AFL-CIO, the Hawaii State Personnel Council, five Deputy Attorneys General, and twelve individuals.

Your Committee members diligently questioned the nominee regarding her vision and priorities for DHRD and continuing reformation of the civil service system. Your Committee believes that the nominee represented a willingness to maintain an open mind regarding all issues presented, demonstrated a commitment to civil service reform including reducing the number of civil service exempt positions, as appropriate, and showed a commitment to addressing current and future labor shortages and vacant hard-to-fill positions through proper preparation. Your Committee finds that the nominee adequately responded to the Committee's inquiries and is pleased that the nominee garnered widespread support from both the public and private sectors and management and labor alike.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2921 Health on Gov. Msg. No. 263

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 263 ELVIRA LEE, for a term to expire 6-30-2010

Your Committee received testimony in support of ELVIRA LEE from Executive Office on Aging, the State Council on Developmental Disabilities, and one individual. Ms. Lee is a social worker and has been a consultant for the last thirty-five years with the state Department of Human Services, Department of Health, and Executive Office on Aging. Ms. Lee is presently serving on the

State Council on Developmental Disabilities and is being nominated for a second term. Her appointment fulfills the requirement for a representative under the Older Americans Act of 1965. Ms. Lee's experience working with individuals with developmental disabilities will enable her to continue to be instrumental in furthering the cause of the Council.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2922 Health on Gov. Msg. Nos. 270, 271 and 272

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 270 DAVID W. HEYWOOD, for a term to expire 6-30-2010;

G.M. No. 271 WAYNE SACHIO HIGAKI, for a term to expire 6-30-2010; and

G.M. No. 272 VIRGINIA PRESSLER MD, MBA, FACS, for a term to expire 6-30-2010

Your Committee received testimony in support of DAVID W. HEYWOOD from the Department of Health. Mr. Heywood is currently serving on the Statewide Health Coordinating Council and is being nominated for a second term. Mr. Heywood received his MBA in 1983 and is currently the Executive Director, Hawaii Region, of United Healthcare. He has served as Vice President of Corporate Development for Hawaii Pacific Health, Chief Financial Officer/Chief Operating Officer at Queen's Health Plans, and various financial and management positions with Henry Ford Health Systems. He is active in the community and is an asset to the Statewide Health Coordinating Council.

Your Committee received testimony in support of WAYNE SACHIO HIGAKI from the Department of Health and four individuals. Mr. Higaki is currently serving on the Statewide Health Coordinating Council and is being nominated for a second term. He is the Assistant Vice President of North Hawaii Community Hospital on the Big Island. He has also served as Director of Project and Business Development and Director of Clinical and Diagnostic Services for the hospital. Mr. Higaki's experience in business administration, program development, and medical facility design have enabled him to provide valuable skills to the Council.

Your Committee received testimony in support of VIRGINIA PRESSLER MD, MBA, FACS from the Department of Health, Hawaii Pacific Health, and the Hawaii Science and Technology Council. Dr. Pressler is currently serving on the Statewide Health Coordinating Council and is being nominated for a second term. Dr. Pressler is Senior Vice President of Service Line Development, Marketing and Government Relations with Hawaii Pacific Health. She has also served as the Deputy Director of Health Resources Administration for the Department of Health. Dr. Pressler holds a MD degree from the John H. Burns School of Medicine, a MS in Physiology and a MBA from the University of Hawaii, and a BA in Social Psychology from Cornell University. She is a member of several professional organizations and is active in various community agencies. Dr. Pressler has an extensive understanding of the health care system in Hawaii and invaluable expertise in health care planning.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2923 Health on Gov. Msg. Nos. 264, 265 and 266

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 264 DEAN T. AOKI, for a term to expire 6-30-2010;

G.M. No. 265 CHARLES W. FLEMING, for a term to expire 6-30-2010; and

G.M. No. 266 DEAN M. GEORGIEV, for a term to expire 6-30-2010

Your Committee received testimony in support of DEAN T. AOKI from the Disability and Communication Access Board and the Department of Land and Natural Resources. Mr. Aoki currently serves on the Disability and Communication Access Board and is nominated for a second term. He is a Registered Architect I and has twenty years of experience in the architectural field. Mr. Aoki's experience and knowledge will enable him to further promote and develop accessible environments while encouraging creative designs. His past contributions to Department of Land and Natural Resources are solid evidence of his ability to continue to carry out these responsibilities.

Your Committee received testimony in support of CHARLES W. FLEMING from the Disability and Communication Access Board. Mr. Fleming is currently serving on the Disability and Communication Access Board and is nominated for a second term. He has extensive experience working with state governments and disability issues. Mr. Fleming represents the disabled community and also serves as one of two Big Island representatives. His expertise and experience provide the Board with a needed perspective on compliance issues and emergency and disaster assistance for people with disabilities.

Your Committee received testimony in support of DEAN M. GEORGIEV from the Disability and Communication Access Board. Mr. Georgiev is currently serving on the Disability and Communication Access Board and is nominated for a second term. He has extensive computer experience and works as a computer trainer. Mr. Georgiev lives on Oahu and represents the disabled community. His computer knowledge and expertise is particularly valuable to the Board, as assistive technology for persons with disabilities becomes more mainstream.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2924 Health on Gov. Msg. No. 279

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 279 GARY F. MICHELL, for a term to expire 6-30-2010

Your Committee received testimony in support of GARY F. MICHELL from the Department of Health. Mr. Michell currently serves on the Mental Health and Substance Abuse, Hawaii Service Area Board and is nominated for a second term. He has a Masters degree in Psychology from the University of New Orleans. Mr. Michell has worked as the Research Manager with the Department of Psychiatry at Ochsner Medical Institutions in New Orleans, the Project Director for Hawaii Caregivers Network, and Senior Quality Improvement Specialist at Biodyne. He currently serves as the County Services Director for Mental Health Kokua. Mr. Michell has the skills and expertise that make him a valuable member of the Mental Health and Substance Abuse, Hawaii Service Area Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2925 Health on Gov. Msg. No. 267

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 267 MARY JO KEEFE, for a term to expire 6-30-2010

Your Committee received testimony in support of MARY JO KEEFE from the Department of Health. Ms. Keefe currently serves on the Drug Product Selection Board and is nominated for a second term. Ms. Keefe is a private sector pharmacist. She is a member of the Hawaii Pharmacy Association, serves as treasurer for the Maui County Pharmacist Association and is an active member in the Hawaii Diabetes Association. Her extensive experience in the pharmaceutical industry and past Board membership make her a valuable contributing member of the Drug Product Selection Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2926 Health on Gov. Msg. No. 268

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 268 DONALD K. MATSUI, for a term to expire 6-30-2010

Your Committee received testimony in support of DONALD K. MATSUI from the Executive Office on Aging and the Maui County Office on Aging. Mr. Matsui was an interim appointment and currently serves on the Policy Advisory Board for Elder Affairs and is nominated for a first full term. He is a member of AARP and remains active in Lanai's education community by serving as a substitute teacher. Mr. Matsui is committed to issues involving older Americans. His insight and experience and his counsel are valuable to the Policy Advisory Board for Elder Affairs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2927 Health on Gov. Msg. Nos. 273 and 274

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WINDWARD OAHU SUBAREA

G.M. No. 273 GREIG E. GASPAR, for a term to expire 6-30-2010; and

G.M. No. 274 CHRISTOPHER J. LUTZ, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council-Windward Oahu.

Your Committee received testimony in support of GREIG E. GASPAR from the Department of Health, three representatives from the State of Hawaii House of Representatives, one representative from the U.S. House of Representatives, Hina Mauka, Hawai'i Primary Care Association, Ke Ola Mamo, Aloha Care, Papa Ola Lokahi, and two individuals. Mr. Gaspar currently serves on the Health Planning Council for Windward Oahu and is being reappointed to a second term. He has a Bachelor's degree in Education from the University of Hawaii. Mr. Gaspar has served as the Executive Director of Angel Network Charities, Inc. He has also worked at the Waimanalo Health Center as a teen health project coordinator and marketing specialist. Mr. Gaspar is an effective leader and a community advocate. His membership on the Health Planning Council-Windward Oahu is greatly valued.

Your Committee received testimony in support of CHRISTOPHER J. LUTZ from the Department of Health. Mr. Lutz is currently serving on the Health Planning Council for Windward Oahu and is being nominated to a second full term. Mr. Lutz holds a B.S. from the University of California, Berkeley and a M.B.A. from Chaminade University. He is the Windward Oahu Service Area Manager for Kaiser Permanente, managing health care operations at three clinics in Windward Oahu. He also serves as President of the Tantalus Community Association. Mr. Lutz has exceptional skills and experience and is an asset to the Health Planning Council-Windward Oahu. Your Committee notes that Mr. Lutz was first appointed on November 21, 2001, and pursuant to statutory requirements, will terminate his service on November 20, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2928 Health on S.R. No. 1

The purpose of this measure is to broaden awareness and education of cervical cancer prevention.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, the American Cancer Society Hawaii Pacific, Inc., and Merck & Company.

Your Committee finds that cervical cancer is the third most common cancer affecting women worldwide and is a highly preventable disease. Early detection of the disease through screening enables women to receive proper treatment in a timely manner. If detected early, cervical cancer has a survival rate of close to ninety-nine percent.

Your Committee further finds that making January Cervical Cancer month will join together supporters of cervical cancer prevention to provide the needed awareness and education on the disease and the importance of screening, regular exams, and early detection.

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. 1 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2929 Health on S.C.R. No. 1

The purpose of this measure is to broaden awareness and education of cervical cancer prevention.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, the American Cancer Society Hawaii Pacific, Inc., and Merck & Company.

Your Committee finds that cervical cancer is the third most common cancer affecting women worldwide and is a highly preventable disease. Early detection of the disease through screening enables women to receive proper treatment in a timely manner. If detected early, cervical cancer has a survival rate of close to ninety-nine percent.

Your Committee further finds that making January Cervical Cancer month will join together supporters of cervical cancer prevention to provide the needed awareness and education on the disease and the importance of screening, regular exams, and early detection.

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. 1 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2930 Health on S.C.R. No. 15

The purpose of this measure is to establish the commitment of the Hawaii State Legislature to support the national goal of eliminating suffering and death due to cancer by the year 2015.

Your Committee received testimony in support of this measure from the Department of Health, the American Cancer Society Hawaii Pacific, Inc., and eight individuals.

Your Committee finds that the goal of the National Cancer Institute to eliminate cancer-related death and suffering by 2015 can be attained with the cooperation and commitment of the Legislature, private and public organizations, and individuals. Your Committee further finds that cancer, through education and early detection, is becoming one of the most preventable of the life threatening diseases facing Americans today.

Your Committee has amended this measure by 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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2931 Health on S.C.R. No. 31

The purpose of this measure is to request the Auditor to conduct a sunrise study of a proposed regulatory measure requiring professional licensure of genetic counselors.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente, March of Dimes, Ohana Genetics Inc., and fourteen individuals.

Your Committee finds that professional licensure of genetic counselors will protect the public by ensuring that genetic counseling is provided only by individuals with a high level of training and certification.

Your Committee further finds that an Auditor's sunrise study is required under Section 26H-6, Hawaii Revised Statutes, when a new regulatory measure is proposed that would subject an unregulated profession to licensing or other regulatory controls.

Your Committee has amended this measure by adopting the suggestions of the Department of Commerce and Consumer Affairs and changed the reference from Senate Bill No. 3231, S.D.1 to Senate Bill No. 3231, S.D.2 to conform with the amendments made in the March 1, 2006 hearing by the Committee on Commerce, Consumer Protection, and Housing.

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. 31, as amended herein, and recommends that it be referred to the Committee on Commerce, Consumer Protection, and Housing, in the form attached hereto as S.C.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2932 Transportation and Government Operations on Gov. Msg. No. 256

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 256 MANUEL MAKAHIAPO KULOLOIO, for a term to expire 6-30-2010

Your Committee received testimony in support of MANUEL MAKAHIAPO KULOLOIO from the State Department of Defense and the State Civil Defense.

The nominee represents Maui and is a reappointment. The nominee has been employed in various administrative and managerial positions since 1999 with the Navajo Hawaiian Native Corporation. His background includes being a consultant for the Jason Associates Corporation on a project involving remediation of contaminated waste; a consultant for the Lockheed Martin Corporation in various technical programs; and a customer service supervisor for Trans Hawaiian Services in Maui.

The nominee has been a member of Protect Kaho'olawe 'Ohana, Keauhou 'O Honua'ula Inc., Board of Directors; Kukahiko Corporation; and The National Defense Center of Excellence for Research in Ocean Sciences.

According to testimony of the State Department of Defense, Mr. Kuloloio has served as an outstanding representative for Maui County and has actively shared his insight to the needs of the community with regard to emergency preparedness. He has participated in numerous civil defense activities that include homeland security conferences and emergency preparedness exercises. He has given selflessly of his time to serve as a member of the Civil Defense Advisory Council.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2933 Transportation and Government Operations on Gov. Msg. No. 257

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 257 ANN M. SAKAGUCHI, for a term to expire 6-30-2010

Your Committee received testimony in support of ANN M. SAKAGUCHI from the federal Department of Health and Human Services; the State Department of Defense; the Center of Excellence in Disaster Management & Humanitarian Assistance; the Environmental Systems Research Institute, Inc.; and three individuals.

The nominee represents Oahu and is a reappointment. She received a Ph.D. degree in political science from the University of Hawaii, an M.P.H. degree in health services administration and planning from the University of Hawaii, a post-baccalaureate certificate in international marketing and management from the Japan-America Institute of Management Science, and a B.A. degree from the University of Hawaii.

According to testimony of the State Department of Defense, Dr. Sakaguchi has participated in numerous civil defense activities and contributed her knowledge and expertise to civil defense programs. In particular, she has been an invaluable asset to the Civil Defense Advisory Council by reason of her position as Associate Specialist and Director of Pacific Emergency Management, Preparedness and Response Information Network and Training Services (Pacific EMPRINTS), College of Social Sciences, University of Hawaii. Pacific EMPRINTS trains health professionals in Hawaii, the Pacific Islands, and parts of California to better respond to chemical, biological, radiological, nuclear, and explosive events, including public health emergencies such as small pox, flu pandemics, and avian flu of which she is particularly concerned.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2934 Transportation and Government Operations on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 275 MITCHELL DAVID ROTH, for a term to expire 6-30-2010

Your Committee received testimony in support of the nominee from the Department of Transportation and the Chair of the State Highway Council.

The nominee represents Hawaii County and is a reappointment. The nominee received a JD degree from the Whittier School of Law and a BA degree from the University of Hawaii. He is a Hawaii licensed attorney and has been a Deputy Prosecuting Attorney, Hawaii County, since 1998.

Mr. Roth has served as co-chair of the State Highway Safety Council. His understanding of traffic laws and Hawaii's legal system have made him a valuable member of the Council.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2935 Transportation and Government Operations on Gov. Msg. No. 277

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 277 JOYCE H. CASSEN, MD, for a term to expire 6-30-2010

Your Committee received testimony in support of the nominee from Department of Transportation, Laser Eye Center of Hawaii, and one individual.

The nominee is a reappointment. The nominee received a BA degree in chemistry, a Ph.D degree in experimental pathology, and an MD degree from Case Western Reserve University. She is a practicing ophthalmologist with the Aina Haina Eye Center.

According to testimony of the Department of Transportation, Dr. Cassen contributes significantly to the work of the Medical Advisory Board. She attends all the meetings and is an active participant at the board meetings. The Director of Transportation expects that Dr. Cassen will become significantly involved in making recommendations on driver licensing with regard to the ability of elderly persons to drive safely.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2936 Transportation and Government Operations on H.B. No. 1899

The purpose of this measure is to clarify where mopeds may be driven and to require drivers of mopeds who are under eighteen years of age to wear a helmet fastened by a chin strap.

Your Committee received testimony in support of this measure from the Honolulu Police Department; State Farm Mutual Automobile Insurance Company; and Keiki Injury Prevention Coalition/Safe Kids Hawaii. Testimony in opposition was received from one individual.

Your Committee finds that drivers of mopeds are particularly vulnerable to head injuries in accidents. Head injuries commonly result in permanent injury or death or in profound and disabling physical and mental effects which can be costly. This measure is intended to protect the safety of vulnerable moped drivers.

Your Committee has amended this measure by:

- (1) Adding "roadway" to highway and street; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2937 Transportation and Government Operations on H.B. No. 1947

The purpose of this measure is to provide immunity from liability to for any decision by the State, the Department of Transportation, a county, or any officers, employees, or their agents to apply flexibility in highway design.

Your Committee received testimony in support of this measure from the Department of Transportation and the Consumer Lawyers of Hawaii.

Your Committee finds that this measure enacts statutory amendments that were intended to be included in Act 185, Session Law of Hawaii 2005 which enacted the original law. All of the parties to the original bill have agreed to the basic language contained in this bill.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2938 Transportation and Government Operations on H.B. No. 2343

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

This measure would:

- (1) Define a "civil defense emergency worker";
- (2) Enact new offenses of:
 - (A) Assault against a civil defense emergency worker, as a class B felony; and
 - (B) Burglary of a dwelling or a building during a civil defense emergency as a class A felony;
- (3) Expand the offenses of:
 - (A) Criminal property damage in the first degree to include intentionally or knowingly damaging property of another during a civil defense emergency;
 - (B) Theft in the first degree to include theft of property or services during a civil defense emergency; and
 - (C) Robbery in the first degree to include using force to commit a theft or threatening imminent use of force against a person during time of civil defense emergency.

Your Committee received testimony in support of this measure from the Attorney General and State Civil Defense. Testimony in opposition was received from the Public Defender.

Your Committee finds that strong penalties would deter the majority of opportunistic crimes during civil emergencies. When resources are needed to restore law and order, emergency response aid to victims may be hampered or delayed, leaving victims at an increased risk of bodily injury or death. If strong measures to control law and order are not in place before a disaster or emergency occurs, looting and other crimes are likely to increase.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2343, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2343, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2939 Transportation and Government Operations on S.C.R. No. 33

The purpose of this measure is to request the Department of Transportation to continue to collaborate with the Hawaii Harbor Users Group to implement planned improvements and construction to improve cargo terminal and container facilities at Honolulu Harbor, Kahului Harbor, and Hilo Harbor.

This measure also commends and congratulates the Department of Transportation and the Hawaii Harbor Users Group for their fine work in completing the Hawaii Harbors User Group's report.

Your Committee received testimony in support of this measure from the Department of Transportation; Norwegian Cruise Line; Pacific Shipyards International; the Hawaii Harbor Users Group; Alexander & Baldwin, Inc.; A&B Properties, Inc.; the Matson Navigation Company; Maritime Consultants of the Pacific; the Hawaii Ship Agents Association; Young Brothers, Limited; and the Hawaii Business Roundtable.

The Hawaii Harbor Users Group was formed by commercial harbor users to work with the Department of Transportation and the legislature to improve the operations and capacity of the State's commercial harbors.

Hawaii Harbor Users Group retained Mercator Transport Group (Mercator) to review and evaluate facility requirements of the State's harbor system as part of the efforts of the Hawaii Harbor Users Group and its members to work with and assist the Department of Transportation with planning and development of port facilities. Following a collaborative effort involving the Hawaii Harbor Users Group members, the Department of Transportation, and Mercator, the Hawaii Harbor Users Group set forth its findings and recommendations in its report, *Harbor Facility Development To Serve The State of Hawaii*. The report recommended comprehensive renovations and construction to Hawaii harbors to accommodate the future demands of shipping and ocean transportation.

Your Committee finds that the recommendations as contained in the report would vastly improve Hawaii's harbors for the future for shipping and ocean transportation. Your Committee urges the Committee on Ways and Means to include capital improvements funding for harbor construction and renovation in the budget of the Department of Transportation. According to testimony of the Department of Transportation, harbors do not receive any federal funds for capital improvement projects. Your Committee urges the Hawaii Harbor Users Group to request the Committee on Ways and Means, as well as the House Committee on Finance, to provide for such funding in the budget. Your Committee is appreciative of the statements of the Department of Transportation and the Hawaii Harbor Users Group to include the Chair of this Committee in future planning discussions on harbor improvements.

Your Committee has amended this measure to:

- (1) Delete language indicating that A&B Properties already designated parts of Kahului Harbor for harbor use, which is inaccurate at the present time; and
- (2) Add a request for construction and improvements for needed ferry terminal development to Nawilili Harbor on Kauai, known as the Pier 3 Dolphin Project.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2940 Transportation and Government Operations on S.R. No. 17

The purpose of this measure is to request the Department of Transportation to continue to collaborate with the Hawaii Harbor Users Group to implement planned improvements and construction to improve cargo terminal and container facilities at Honolulu Harbor, Kahului Harbor, and Hilo Harbor.

This measure also commends and congratulates the Department of Transportation and the Hawaii Harbor Users Group for their fine work in completing the Hawaii Harbors User Group's report.

Your Committee received testimony in support of this measure from the Department of Transportation; Norwegian Cruise Line; Pacific Shipyards International; the Hawaii Harbor Users Group; Alexander & Baldwin, Inc.; A&B Properties, Inc.; the Matson Navigation Company; Maritime Consultants of the Pacific; the Hawaii Ship Agents Association; Young Brothers, Limited; and the Hawaii Business Roundtable.

The Hawaii Harbor Users Group was formed by commercial harbor users to work with the Department of Transportation and the legislature to improve the operations and capacity of the State's commercial harbors.

Hawaii Harbor Users Group retained Mercator Transport Group (Mercator) to review and evaluate facility requirements of the State's harbor system as part of the efforts of the Hawaii Harbor Users Group and its members to work with and assist the Department of Transportation with planning and development of port facilities. Following a collaborative effort involving the Hawaii Harbor Users Group members, the Department of Transportation, and Mercator, the Hawaii Harbor Users Group set forth its findings and recommendations in its report, *Harbor Facility Development To Serve The State of Hawaii*. The report recommended comprehensive renovations and construction to Hawaii harbors to accommodate the future demands of shipping and ocean transportation.

Your Committee finds that the recommendations as contained in the report would vastly improve Hawaii's harbors for the future for shipping and ocean transportation. Your Committee urges the Committee on Ways and Means to include capital improvements funding for harbor construction and renovation in the budget of the Department of Transportation. According to testimony of the Department of Transportation, harbors do not receive any federal funds for capital improvement projects. Your Committee urges the Hawaii Harbor Users Group to request the Committee on Ways and Means, as well as the House Committee on Finance, to provide for such funding in the budget. Your Committee is appreciative of the statements of the Department of Transportation and the Hawaii Harbor Users Group to include the Chair of this Committee in future planning discussions on harbor improvements.

Your Committee has amended this measure to:

- (1) Delete language indicating that A&B Properties already designated parts of Kahului Harbor for harbor use, which is inaccurate at the present time; and
- (2) Add a request for construction and improvements for needed ferry terminal development to Nawilili Harbor on Kauai, known as the Pier 3 Dolphin Project.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2941 Transportation and Government Operations on H.B. No. 2215

The purpose of this measure is to assist smaller concessionaires by giving the State the flexibility to accept legal tender and financial instruments other than performance bonds as security for the performance of their concession contracts.

Your Committee received testimony in support of this measure from the Department of Transportation and the Airport Concessionaires Committee.

Your Committee finds that in the wake of the events of September 11, 2001, bonds have become increasingly expensive and difficult to obtain for concessionaires. This measure provides concessionaires with flexibility to reduce costs that are presently associated with financial security requirements.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2942 Transportation and Government Operations on H.B. No. 2273

The purpose of this measure is to make an emergency appropriation to increase the spending ceiling of the state risk management revolving fund to provide for unanticipated expenditures resulting from the May 7, 2005 fire at Kalaheo Elementary School.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Department of Education.

Due to the anticipated expenditures relating to the fire at Kalaheo Elementary School and increases in property insurance arising therefrom, the state risk management revolving is projected to have expenditures in excess of the amounts appropriated by the Legislature for the state risk management program for fiscal year 2005-2006.

Your Committee finds that an emergency appropriation as requested by this measure are essential to the prudent operation of the State's risk management program.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2943 (Majority) Transportation and Government Operations on H.B. No. 2454

The purpose of this measure is to clarify the laws pertaining to vacancies for the United States Senate and the Hawaii State Legislature.

Your Committee received oral testimony in support of this measure from one individual.

This measure would require the Governor, for the filling of a vacancy for the United States Senate, the state Senate, and the state House of Representatives, to select a temporary appointment from a list of five prospective appointees submitted by the same political party as the prior incumbent. The appointee must be a registered member of the same political party as the prior incumbent for at least six months immediately prior to the appointment. If the prior incumbent was not a member of any political party, the Governor would appoint a person who was not a member of any political party for at least six months prior to the appointment.

Your Committee find that this measure would promote an element of fairness in filling legislative vacancies without compromising the integrity of the election process. Political parties should have a voice in selecting a replacement to fill a vacancy.

Your Committee has amended this measure by reducing the number of submitted candidates from five to three, and inserting twenty days after the date the vacancy occurs as the deadline for political parties to submit their candidates to the Governor.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2454, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2454, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Whalen). Excused, 3 (Baker, Kanno, Menor).

SCRep. 2944 Transportation and Government Operations on H.B. No. 2274

The purpose of this measure is to allow the comptroller to deposit money received from the settlement of claims or for losses of the State into a trust account of the affected agency instead of into the state risk management revolving fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Department of Education.

The intent of this measure is to allow an affected agency that receives the money from the settlement or claim to receive the funds in a timely manner by means of a direct deposit of those funds into the agency's trust account established for this purpose.

Under current law for example, any insurance proceeds received by the State for a fire loss must be first deposited into the risk management revolving fund and then expended for the agency or department that sustained the loss. In the meantime, the damaged premises is not being repaired because the agency does not have the funds to pay for the repairs.

In October 2004, the University of Hawaii at Manoa campus was flooded and sustained major damage. The insurance proceeds of \$25,000,000 were first deposited into the risk management revolving fund where they remained until later appropriated out of the fund on an emergency basis. The lag in time caused the University of Hawaii to pay for repairs from existing appropriations, causing previously planned projects to be needlessly delayed.

Your Committee finds that this measure would put the insurance proceeds directly into the hands of the agency to proceed immediately with repairs.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2274, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2945 Transportation and Government Operations on S.C.R. No. 38

The purpose of this measure is to request the Department of Transportation to study the feasibility of installing an outdoor wireless corridor along the H-1 freeway in order to encourage utilization by highly occupied vehicles and busses, and to facilitate the gathering of traffic metrics.

Your Committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition was received from the Honolulu Police Department.

Legions of Oahu residents spend at least two hours daily traveling on the H-1 freeway during rush hour traffic going to and from work. Passengers in vehicles on the H-1 during rush hours could better spend their time while in their cars doing work or research on the Internet.

Your Committee finds that an outdoor wireless corridor infrastructure would support continuous coverage for wireless network services for wireless-enabled laptop computers and personal digital assistant devices. An outdoor wireless corridor would enable access to online resources in any location along H-1. Furthermore, according to testimony of the Department of Transportation, it is currently working on an Intelligent Transportation System project for Oahu freeways that has been approved by the Federal Transportation Administration and is funded ninety percent by federal moneys.

Your Committee has amended this measure by deleting a paragraph referencing the popularity of wireless devices.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Media, Arts, Science, and Technology, in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2946 (Majority) Labor on H.B. No. 1867

The purpose of this measure is to ensure that, in the event of a dispute between an injured employee and the employer or the employer's insurer, the injured employee continues to receive medical treatment under the last approved treatment plan until the Director of Labor and Industrial Relations renders a decision on whether medical treatment should be continued.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the ILWU Local 142; the Hawaii Injured Workers Alliance, the International Brotherhood of Electrical Workers, the Hawaii State Teachers Association, the Hawaii Medical Service Association, the Hawaii Chapter, American Physical Therapy Association, the Hawaii State Chiropractic Association, Work Star Occupational Health Systems, and twelve individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Department of Human Resources Development, the Department of Civil Service for the County of Hawaii, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, the Society for Human Resource Management, the National Federation of Independent Business in Hawaii, and the Hawaii Independent Insurance Agents Association. Comments on this measure were also submitted by the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that the current workers' compensation laws allow an injured employee's medical treatment to be prematurely and improperly terminated if the employer denies further treatment. In this situation, if the injured employee disputes the termination of medical treatment, the matter must be resolved through a hearing and determination made by the director of DLIR within sixty days after the date of the hearing. Although DLIR makes efforts to expedite the process, the cessation of medical treatment during the interim can be severely detrimental to the injured employee's health and recovery. In many cases, the cessation of medical treatment can result in the deterioration of an injured employee's condition, thereby extending the duration of the need for medical services and the injured employee's continued absence from work. Your Committee believes that in balancing all of the interests involved, an injured employee merits protection through the provision of uninterrupted medical services until the director of DLIR makes a formal determination that the services are no longer warranted.

Your Committee further finds that the current law also allows an employer to unilaterally terminate an injured employee's temporary total disability (TTD) benefits upon the belief that the injured employee is able to return to work. This termination of benefits can occur irrespective of whether the injured employee has actually resumed work. Once benefits are terminated, the injured employee must make a written request to the director of DLIR if the termination is contested. Currently, an injured employee who has disputed the termination of TTD benefits must wait three to nine months for a hearing and resolution on the matter. Your Committee believes that the workers' compensation system attempts to balance the interests of employers and employees by guaranteeing that workers injured on the job receive medical treatment and replacement of lost wages, while employees relinquish their right to sue under most circumstances. Therefore, the termination of medical treatment and payment of TTD benefits should not be capricious. Your Committee determines that the termination of TTD benefits under the current law creates an undue hardship on the injured employee when the injured employee is not working and likely has no other means of income.

Accordingly, your Committee has amended this measure by:

- (1) Including the contents of S.B. No. 3035, S.D. 1, which amends subsection 386-31(b), Hawaii Revised Statutes, to prevent an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's TTD benefits until a decision is rendered by the director of DLIR;
- (2) Changing the effective date of the Act to be effective upon its approval; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1867, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1867, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2947 Labor on H.B. No. 2309

The purpose of this measure is to require a retired individual who receives reimbursements from the Hawaii employer-union health benefits trust fund (EUTF) for Medicare part B premiums to designate an institution of the individual's choice for direct deposit of the reimbursements beginning July 1, 2006.

This measure also amends existing statutory language for purposes of clarity.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Hawaii EUTF, and the Hawaii State Teachers Association.

Your Committee finds that advancements in technology enable the EUTF to provide retired employee-beneficiaries and their spouses with the convenience and benefits of direct electronic deposit of Medicare part B reimbursements into the retired employee-beneficiaries' or spouses' bank accounts. Your Committee further finds that, currently, retired employee-beneficiaries benefit from the

employees' retirement system's similar authority to pay retirement benefits to members through direct deposits. The EUTF has already projected that the implementation of this measure will provide annual savings in the amount of approximately \$30,000 in postage and mailing materials alone. Accordingly, your Committee determines that requiring direct deposit for the reimbursement of Medicare part B premiums will be instrumental in reducing postage costs, reducing the cost of handling paper checks, diminishing the potential for lost or stolen paper checks, and providing added convenience through the elimination of the physical deposit of paper checks.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2948 Labor on H.B. No. 2311

The purpose of this measure is to amend portions of the law relating to the employees' retirement system (ERS) to enable the ERS to maintain its tax-qualified status.

Specifically, this measure:

- (1) Excludes from membership in the hybrid plan, class A and class B members of the ERS who received in-service refunds of pension contributions made under section 414(h)(2) of the Internal Revenue Code of 1986, as amended; and
- (2) Repeals section 88-46.5, Hawaii Revised Statutes, which allowed members of the (ERS) to receive a one-time withdrawal of the member's contributions to the ERS in the event of economic hardship.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the ERS, and the Hawaii State Teachers Association.

Your Committee finds that the tax-qualified retirement plan status of the ERS may be in jeopardy due to the existence of certain provisions of the law regarding the ERS. Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, provides for favorable tax treatment for employee contributions "picked up" by the employer for the employee to a tax-qualified retirement plan established by a State or county. The tax-qualified status of the ERS is currently being compromised through provisions of the law that allow members to receive a refund of contributions made under section 414(h)(2) while the member is employed by the State or county or if the member received a refund while the member was employed by the State or county and the member is subsequently allowed to have additional contributions made on the member's behalf under section 414(h)(2).

Your Committee further finds that, under the current law, a member is allowed to make a one-time withdrawal of accumulated contributions to the ERS in the event of economic hardship while still employed by the State or county. This allowance also jeopardizes the ERS' tax-qualified status. Therefore, your Committee determines that in order to maintain the ERS' tax-qualified retirement plan status, the law must be amended to bring the ERS in compliance with the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2949 (Joint/Majority) Labor and Education and Military Affairs on H.B. No. 2609

The purpose of this measure is to establish a collective bargaining process for new century charter school employees.

Specifically, this measure:

- (1) Assigns employees of a new century charter school to an appropriate bargaining unit;
- (2) Establishes the employer for the purposes of negotiating collective bargaining agreements for employees of new century charter schools;
- (3) Designates the local school board as the authority to negotiate memoranda of agreement or supplemental agreements for new century charter school employees;
- (4) Establishes that the employee organization certified by the Hawaii labor relations board shall be the exclusive representative for all employees in an appropriate bargaining unit; and
- (5) Determines that cost items appropriated for new century charter school employees shall be allocated by the department of budget and finance to the charter school administrative office for distribution to the schools.

Testimony in support of this measure was submitted by the Board of Education; Charter School Administrative Office; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Governor's Administration and the Office of Collective Bargaining.

Your Committees find that the unique nature of charter schools necessitates the full utilization of personnel, often resulting in many employees performing the duties of multiple positions. Due to their size and limited resources, charter schools are often faced with challenges unlike those of their public school counterparts. Your Committees believe that the enactment of laws to address collective bargaining negotiations specific to charter school employees is needed to protect the rights of these employees. Clarification in the law will allow the new century charter school employees to be properly represented and have their rights appropriately safeguarded.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the language of subsection (c) to ensure that new century charter schools have flexibility in negotiating an agreement that fits their particular needs; and
- (2) Changing the effective date of the Act to be effective upon its approval.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2609, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2609, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 2 (Chun Oakland, Ihara).

SCRep. 2950 Labor on H.B. No. 2678

The purpose of this measure is to allow a member of the employees' retirement system who applies for ordinary disability retirement, and who continues to work at the member's regular job, to terminate service at any time following the approval of ordinary disability retirement.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii State Teachers Association, and four individuals. Testimony in opposition to this measure was submitted by the Employees' Retirement System (ERS). Comments on the measure were also submitted by the Department of the Attorney General.

Your Committee finds that, under the current law, a member of the ERS can only qualify for ordinary disability retirement upon certification by the ERS medical board that the member is permanently mentally or physically incapacitated for the further performance of duty and should be retired. However, your Committee further finds that some ERS members suffer from incurable debilitating diseases that have not yet progressed to the point where they are unable to continue working. The law should be amended to allow members suffering from incurable debilitating diseases to be able to qualify for ordinary disability retirement and still continue to work until they are physically or mentally unable to do so. Your Committee determines that these changes will streamline the process by removing the requirement of members to make multiple filings for ordinary disability retirement when they are already hampered by their condition as well as financial and other restraints.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the provisions of S.B. No. 3012, S.D. 1, which provides as follows:
 - (A) Allows a member of the ERS who is diagnosed with an incurable debilitating disease to qualify for ordinary disability retirement and continue working until the member is unable to work and, specifically:
 - (B) Requires the ERS medical board to render a decision on whether the member suffers from an incurable debilitating disease within thirty days of the receipt of the member's application for ordinary disability retirement;
 - (C) Requires the ERS board to render a decision on the member's application for ordinary disability retirement within thirty days of receipt of the medical board's determination of eligibility for ordinary disability retirement; and
 - (D) Establishes a definition for the term "incurable debilitating disease; and
- (2) Making the effective date of the Act July 1, 2050 to allow further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2678, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2678, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2951 (Majority) Labor on H.B. No. 2691

The purpose of this measure is to allow civil actions under chapter 104, Hawaii Revised Statutes (HRS), for injunctive and other relief to be instituted by a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Chapter of Associated Builders and Contractors, Inc., and the Hawaii Island Contractors' Association.

Your Committee finds that, under the current law, laborers or mechanics may bring suit to recover wages or overtime compensation under chapter 104, HRS. However, the law fails to contemplate situations wherein an aggrieved individual is essentially prevented from seeking redress due to a lack of information and resources, the fear of retaliation, or the inability to obtain injunctive relief against an employer who is continuously in violation of the law. Your Committee further finds that in other jurisdictions labor organizations have been successful in assisting aggrieved laborers in exposing, and enjoining from further violative behavior, contractors who are continuously violating the law. Your Committee believes that the extension of the right to bring suit for injunctive and other relief against an employer in violation of chapter 104, HRS, will provide an additional remedy as well as an additional safeguard within the system to ensure that prevailing wages laws are followed and enforced. Furthermore, the limitation of the extension of this right to joint labor-management committees, as established by the federal Labor Management Cooperation Act of 1978, will ensure that suits are only brought by cooperative committees comprised of an equal number of representatives from labor and management.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2691, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2952 Labor on H.B. No. 2698

The purpose of this measure is to require the Director of Labor and Industrial Relations to establish standardized forms for health care providers to use when reporting on and billing for injuries compensable under the State's workers' compensation law.

Testimony in support of this measure was submitted by the Department of Human Resources Development; Department of Labor and Industrial Relations; the Hawaii Chapter of the American Physical Therapy Association; the Hawaii Employers' Mutual Insurance Company, Inc.; the Hawaii Insurers Council; the Hawaii State AFL-CIO; the Hawaii State Chiropractic Association; and the International Longshore and Warehouse Union, Local 142. Comments on the measure were also submitted by the Hawaii Medical Association.

Your Committee finds that in facilitating the filing of workers' compensation claims, more can be done to provide uniformity, greater clarity, and efficiency in the delivery of medical services to injured employees and payment to the providers. The current lack of uniformity in the filing of paperwork by providers often results in the employer's denial of payment for services without an effective method for the employee to determine the basis for denial. Consequently, denials necessitate the filing of additional paperwork and further delay, or eliminate the receipt of payment for medical services from the employer's insurer. Your Committee believes that the use of standardized forms can help to clearly identify the necessary information for proper determination of the need for care and the type of care that satisfies medical reporting requirements.

However, your Committee believes that for standardized forms to be truly helpful in streamlining the workers' compensation system, DLIR must receive input from interested stakeholders in the workers' compensation system, including insurers, providers, employers, and employees, in order to better address the needs of all parties involved.

Accordingly, your Committee has amended this measure by:

- (1) Including language to require DLIR to prepare the standardized forms, with input from all interested stakeholders in the workers' compensation system, including health care providers, insurers, employers, and employees;
- (2) Changing the effective date of the Act to be effective upon its approval; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2698, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2953 (Majority) Labor on H.B. No. 2947

The purpose of this measure is to repeal Act 249, Session Laws of Hawaii 2005.

This measure also:

- (1) Amends the law relating to the use of unemployment trust fund moneys to conform to P.L. 107-147, the Temporary Extended Unemployment Compensation Act of 2002, because the requirements for Reed Act funds distributed in 2002 differ from those of prior special Reed Act distributions;
- (2) Appropriates \$20,000,000 from the unemployment insurance trust fund in fiscal year 2006-2007 to improve the services of the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations (DLIR), provided that:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;
 - (C) \$2,000,000 to the Kauai Workforce Investment Board;
 - (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
 - (E) \$2,604,450 to the Department of Labor and Industrial Relations; and
- (3) Requires DLIR to report to the Legislature on the status of the timely release of funds appropriated under the Act to the counties.

Testimony in support of this measure was submitted by the Oahu Workforce Investment Board. Comments on this measure were submitted by DLIR and the Department of the Attorney General.

Your Committee finds that pursuant to Act 249, SLH 2005, the law was amended to allow for the utilization of 2002 Reed Act funds. Additionally, Act 249 provided for the appropriation of funds from the unemployment trust fund to improve the services of the unemployment insurance and workforce development divisions of DLIR. Within the appropriations made to the several county workforce investment boards, the moneys appropriated to the County of Hawaii were directed to be expended on the eradication of coqui frogs and other invasive species. No funds appropriated under the Act have been expended by the specified entities.

The Attorney General has opined that Act 249 did not become law; however, it is the Legislature's position that the Governor's veto of Senate Bill No. 813, C.D. 1, was defective and that Act 249 is good law. Therefore, your Committee believes that it is unnecessary to repeal and then reinstate the current law. However, in order to avoid further delays in the expenditure of the funds appropriated under the Act, the portions of Act 249 that appropriate funds for the eradication of coqui frogs and other invasive species and establish restrictions on the release of funds by DLIR should be repealed. These changes in the law should facilitate the prompt release of funds to the appropriate entities so that they may begin to make necessary improvements and changes to workforce development services.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the substance of S.B. No. 3022, S.D. 1. As amended, this measure amends Act 249, SLH 2004, by:

- (1) Removing the requirement that funds appropriated to the county of Hawaii workforce investment board be expended for the eradication of coqui frogs and other invasive species;
- (2) Repealing the appropriation of funds for fiscal year 2005-2006 that were not released by the Governor;
- (3) Amending the appropriation amounts for fiscal year 2006-2007 by providing:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;
 - (C) \$2,000,000 to the Kauai Workforce Investment Board;
 - (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
 - (E) \$2,604,450 to the Department of Labor and Industrial Relations (DLIR); and
- (4) Repealing section 4, which:
 - (A) Prohibited the release of funds appropriated under the Act by the Governor to DLIR until all funds appropriated for the counties have been so released; and
 - (B) Specified that the appropriation of funds under the Act were not subject to the allotment system powers under part II of chapter 37, HRS.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2947, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2947, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2954 (Majority) Labor on H.B. No. 2950

The purpose of this measure is to clarify the purpose of the Act 245, Session Laws of Hawaii 2005, which authorizes the establishment of voluntary employees' beneficiary association trusts.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State Teachers Association; and the United Public Workers, AFSCME Local 646, AFL-CIO. Comments on the measure were also submitted by the Department of the Attorney General and the League of Women Voters of Hawaii.

Your Committee finds that Act 245, Session Laws of Hawaii 2005, authorized the establishment of voluntary employees' beneficiary association (VEBA) trusts by an employee organization for state and county employees of "a particular bargaining unit." Your Committee further finds that clarification is necessary to ensure that the intent of the Legislature to allow any bargaining unit or units to benefit from the establishment of VEBA trusts. Your Committee believes that it was not the Legislature's intent that VEBA trusts only be established by a single employee organization or a single bargaining unit, regardless of the law's temporary nature as establishing only a three-year pilot program. Your Committee believes that this measure should further clarify that VEBA trusts may be established by any employee organization for multiple bargaining units that may also benefit from their combined numbers.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that indicated that an employee organization may establish a VEBA trust for state and county employees represented by that employee organization; and
- (2) Including language to clarify that an employee organization may establish a VEBA trust for state and county employees of any bargaining unit or units for which a trust has been established.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2950, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2955 (Majority) Labor on H.B. No. 3254

The purpose of this measure is to repeal provisions within the Hawaii Revised Statutes (HRS) that require public employees, who are not required under Article XVI, Section 4 of the Hawaii State Constitution, to take a loyalty oath.

Testimony in support of this measure was submitted by the Office of the Ombudsman.

Your Committee finds that Article XVI, Section 4, of the Hawaii State Constitution was amended in 1992 to require only the Governor, Lieutenant Governor, members of the Legislature, members of the Board of Education, members of the National Guard, employees of the State and counties possessing police powers, district court judges, and officers whose appointment requires the consent of the State Senate to subscribe to an oath of office. Subsequent to the 1992 constitutional amendment, part II of chapter 85, HRS, relating to loyalty oaths was also repealed.

However, your Committee further finds that, although obsolete, certain provisions of the law still exist that either require specific public employees to take a loyalty oath or refer to the repealed provisions of chapter 85, HRS. Your Committee determines that these provisions should be repealed, as the affected positions are not specifically enumerated as those subject to the constitutional mandate of a loyalty oath and their continued presence may cause confusion as to their effect and applicability.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3254, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2956 Transportation and Government Operations on H.B. No. 2639

The purpose of this measure is to create a category of "highly intoxicated driver" for a person with a 0.15 or more grams of blood or breath alcohol reading for the purpose of enhanced penalties under driving while intoxicated law.

This measure would provide an administrative penalty of a six-month revocation of license and of motor vehicle registration for highly intoxicated drivers.

Your Committee received testimony in support of this measure from the Department of Transportation; the Department of Health; Honolulu Police Department, and Mothers Against Drunk Driving. Testimony in opposition was received from the Public Defender. Comments were received from the Judiciary.

Your Committee finds that persons who are highly intoxicated are an enhanced danger while driving and deserve enhanced penalties. According to the National Transportation Safety Board, drivers with a high blood alcohol content pose an increased risk of crashes, injuries, and fatalities.

According to the Department of Transportation, a person with a 0.15 percent blood alcohol level is 380 times more likely to be involved in a fatal crash than a non-drinking driver. Presently, thirty-two states and the District of Columbia have high blood alcohol laws that adopt the 0.15 standard. The most frequently recorded blood alcohol level among drinking drivers involved in fatal crashes was 0.18 percent. Fatality Analysis Reporting System data showed that in Hawaii from 2000 to 2004, there were 184 alcohol related fatal crashes that involved 196 drivers with positive blood alcohol readings. Of those 184 alcohol related fatal crashes, 85 crashes involved drivers who had blood alcohol readings of 0.15 percent or higher.

This measure adopts the national Mothers Against Drunk Driving recommendations by making sanctions for driving with a high blood alcohol concentration similar to laws for repeat offenders. Upon the recommendation of Mothers Against Drunk Driving, your Committee has amended this measure by providing for a six month driver's license revocation and plate impoundment for an administrative revocation.

Your Committee has amended this measure upon the recommendation of the Driver's License Revocation Office and Mothers Against Drunk Driving, to:

- (1) Clarify the definition of "highly intoxicated driver";
- (2) Authorize the administrative revocation hearings officer to impose up to the maximum license revocation period as specified by current law, as a housekeeping measure to comply with court rulings;
- (3) Prohibit a highly intoxicated driver from holding a conditional license permit;
- (4) Impose an absolute prohibition from operating a motor vehicle for six months as part of court sentencing;
- (5) Delete a redundant amendment to court sentencing provisions; and
- (6) Change the effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Menor).

SCRep. 2957 Transportation and Government Operations on H.B. No. 2422

The purpose of this measure is to increase the penalties for motorists who violate Hawaii's crosswalk law.

This measure provides penalties as follows:

- (1) For a first conviction, a fine of not less than \$150;
- (2) For a second conviction, a fine of not less than \$300; and
- (3) For a third or subsequent conviction, committed within one year of the date of the second offense, a fine of not less than \$1000.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and the Public Defender.

Act 73, Session Laws of Hawaii 2005, amended the crosswalk law to clarify when a motorist has a duty to come to a complete stop for a pedestrian in a crosswalk. However, according to a November 13, 2005 article in the *Honolulu Advertiser*, despite a highly publicized new law to protect pedestrians, the number of people killed in crosswalks has increased forty-three percent this year and the State could have its highest number of pedestrian traffic deaths in five years.

According to testimony of the Department of Health, pedestrian deaths and injuries in Hawaii are a serious public health problem. Pedestrian injuries rank sixth among the leading causes of fatal injuries for all ages groups in Hawaii. Alarming, Hawaii had the highest pedestrian fatality rate for seniors in the nation over the 1999-2003 period. The lack of safe walking and particularly crossing conditions on roadways thwarts the mobility of pedestrians and their ability to exercise, denying them a proven health benefit.

Your Committee finds that the crosswalk law needs to be strengthened by enhanced penalties as a deterrent and punishment to drivers who do not stop for pedestrians.

Your Committee has amended this measure by deleting its contents and inserting provisions of S.B. No. 2385, S.D. 1, a companion measure that restores the harsher penalties of license revocation and imprisonment and is effective upon its approval.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2958 Transportation and Government Operations on H.B. No. 2423

The purpose of this Act is to authorize the use of moneys from the state highway fund for the road systems of the counties for fiscal year 2005-2006.

Your Committee received testimony in support of this measure from the Mayor of Hawaii County; Department of Transportation; and Honolulu Department of Facility Maintenance.

Your Committee finds that the State should assist the counties with the costs of construction, maintenance, and repair of county roads. The traveling public should be able to rely upon government to fix and improve roads, without regard to technicalities of ownership between the State and counties. The costs of road work is rising so rapidly that the counties have nowhere to turn for help except the State.

Your Committee has amended this measure by deleting its contents and inserting provisions of S.B. No. 2386, SD1, a companion measure that codifies the amendments according to the proper drafting form and makes it effective upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2423, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2959 Transportation and Government Operations on H.B. No. 2275

The purpose of this measure is to make an emergency appropriation for statewide electricity payments for facilities assigned to the Department of Accounting and General Services.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that the steady rise in world oil prices has directly contributed in a \$1,276,000 shortfall for fiscal year 2005-2006. Even with conservation measures, the electricity needed to run public buildings to sustain ongoing state operations is costing more simply because the cost per kilowatt hour is higher. DAGS cannot afford to absorb those higher costs without jeopardizing the provision of other services in the custodial services program that are necessary for health and safety.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2960 (Joint/Majority) Labor and Transportation and Government Operations on H.B. No. 2692

The purpose of this measure is to require the Department of Labor and Industrial Relations to be responsible for enforcing the provision of and ensuring compliance with chapter 104, Hawaii Revised Statutes (HRS), for public work projects that are not directly caused by a governmental contracting agency.

Additionally, this measure:

- (1) Creates a new section within chapter 39A, HRS, to require the reporting to DLIR of any issuance of a special purpose revenue bond for a public work project that is subject to chapter 104, HRS, but not directly caused by a governmental contracting agency;
- (2) Excludes housing developments under chapter 201H, HRS, from compliance with section 104-2, HRS; and

- (3) Clarifies that a violation of chapter 104, HRS, refers to each project in which DLIR finds a violation.

Testimony in support of this measure was submitted by the IBEW Local 1186, the Hawaii State AFL-CIO, and the Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Hawaii Island Contractors' Association, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that under the current law a contractor who is found to be in violation of chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violative acts may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. Your Committees further find that due to the lengthy process for conducting and completing investigations of possible violations, contractors who do not comply with the prevailing wages laws are not properly sanctioned or restricted from obtaining contracts for additional public work projects. Your Committees are concerned, particularly during the current construction industry boom, that contractors be carefully monitored and sanctioned as necessary to provide a level playing field for all contractors and to ensure the payment of prevailing wages to all eligible workers.

Furthermore, your Committees determine that other legislative vehicles are progressing throughout the session that address the same or similar issues as contained in this measure. However, your Committees further find that the issue of preventing contractors who continually violate the law on multiple occasions and on multiple public work projects from circumventing the law and gaining an unfair advantage over complying contractors is not addressed by any other measure in the Senate at this time.

Accordingly, your Committees have amended this measure by deleting its contents and inserting the language of S.B. 3008. As amended, this measure, upon its approval, will clarify that a single violation refers to each separate project where DLIR finds a contractor has failed to comply with chapter 104, HRS.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2692, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 2 (Slom, Whalen). Excused, 4 (Baker, Hee, Menor, Taniguchi).

SCRep. 2961 (Joint/Majority) Labor and Transportation and Government Operations on H.B. No. 2952

The purpose of this measure is to require the Department of Labor and Industrial Relations (DLIR) to enforce the laws of chapter 104, Hawaii Revised Statutes (HRS), and to collect and maintain the certified copies of payrolls for any public work project subject to chapter 104, HRS, that was not directly built or developed by a governmental contracting agency.

Testimony in support of this measure was submitted by the IBEW Local 1186 and Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition to this measure was submitted by DLIR, the Department of Accounting and General Services, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that contractors on certain public work projects have been able to avoid compliance with prevailing wages laws, largely due to a lack of monitoring and enforcement. Your Committees further find that many of these public work projects, including those that are funded through the use of special purpose revenue bonds, lack an identifiable governmental contracting agency. Contractors on public work projects without a governmental contracting agency are able to avoid compliance with the law, as there is no entity to enforce or monitor compliance with chapter 104, Hawaii Revised Statutes. Your Committees believe that laborers on these public work projects should be receiving the payment of prevailing wages to ensure equity and uniformity in the execution of all public works projects. As enforcement and accountability is necessary on these types of projects, your Committees determine that DLIR is the appropriate entity to enforce and monitor compliance with the law for these types of projects in order to close the existing loophole in the system.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to be effective upon its approval; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2952, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2952, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 2 (Slom, Whalen). Excused, 4 (Baker, Hee, Menor, Taniguchi).

SCRep. 2962 Labor on H.B. No. 3089

The purpose of this measure is to establish a public employees' trust fund (PETF) for offsetting the State's funding liability for contributions for retired employees to the Hawaii employer-union health benefits trust fund (EUTF) under chapter 87A, Hawaii Revised Statutes.

This measure also:

- (1) Establishes a PETF board of trustees for the administration of the PETF;
- (2) Appropriates funds in the sum of \$1,500,000 to the public employees' trust fund (PETF); and
- (3) Prohibits the use of monies in PETF until the PETF 's principal reaches the sum of \$1,000,000,000.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the EUTF. Comments on the measure were submitted by the Department of Budget and Finance and the Department of Accounting and General Services.

Your Committee finds that the Government Accounting Standards Board (GASB) recently issued statement numbers 43, regarding accounting by plans that administer post-employment retirement benefit plans other than pensions, and 45, regarding accounting and reporting requirements for state and local government employers that provide post-employment retirement benefit plans other than pensions. Your Committee further finds that implementation of statement numbers 43 and 45 will be done in stages. The provisions of statements 43 and 45 will require the State's financial statements to contain specific information regarding the State's provision of retiree health benefits or other post-employment benefits plans. Your Committee determines that changes to the current law regarding the EUTF are necessary to allow the State to comply with the financial reporting requirements of statement numbers 43 and 45 and to clarify the law to allow the EUTF to benefit from future strategies to reduce the EUTF's liability.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents creating a new chapter that establishes the PETF; and
- (2) Inserting provisions to:
 - (A) Amend chapter 87A, HRS, to establish that the EUTF is administered as a trust as used in GASB statements 43 and 45;
 - (B) Clarify that the State and county contributions to the EUTF are irrevocable;
 - (C) Specify that EUTF moneys and assets shall only be used for the exclusive benefit of the employee-beneficiaries and dependent beneficiaries;
 - (D) Authorize the EUTF board to use funds for the future provision of health and other benefits plans for retirees and their beneficiaries;
 - (E) Allow the EUTF board to create separate funds for the future provision of health and other benefits plans for retirees and their beneficiaries, subject to chapter 87A; and
 - (F) Make the Act effective on July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3089, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3089, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 2963 (Joint) Energy, Environment, and International Affairs and Intergovernmental Affairs on H.B. No. 1955

The purpose of this measure is to increase the maximum fines for littering from a motor vehicle, littering in public, and criminal littering.

Windward Ahupua'a Alliance submitted testimony in support of this measure. One individual submitted testimony in support of this measure with amendments.

There is a rampant littering problem in our State's communities. Your Committees find that the current mandatory minimum fines for littering violations are not a sufficient deterrent. The present minimum fine for littering is only \$25. An increase in the minimum fine serves as a greater deterrent because fines tend to be imposed at the minimum rather than the maximum amount for violations. An increase in the fine schedule will serve as an incentive to keep Hawaii beautiful.

Your Committees amended this measure by:

- (1) Replacing the original provisions with the provisions of S.B. No. 2850 S.D. 2 to increase the minimum fines for all three offenses, and the maximum fine for criminal littering;
- (2) Changing the effective date to on approval; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1955, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1955, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 2964 Labor on H.B. No. 3018

The purpose of this measure is to require government employees convicted of embezzling, stealing, receiving, or retaining, or failing to properly account for any property or funds belonging to the State or a county to be fined an amount equal to four times the amount taken.

Additionally, this measure requires the garnishment of wages in an amount equal to the lesser of an amount:

- (1) Not to exceed thirty times the federal minimum hourly wage; or
- (2) Twenty-five percent of the defendant's disposable income.

Testimony in support of this measure was submitted by the Department of Human Resources Development and the Hawaii Government Employees Association, Local 152, AFL-CIO. Comments on the measure were also provided by the Department of the Attorney General and the Employees' Retirement System.

Your Committee finds that the Government Accounting Standards Board (GASB) recently issued statement numbers 43, regarding accounting by plans that administer post-employment benefit plans other than pensions, and 45, regarding accounting and reporting requirements for state and local government employers that provide post-employment benefit plans other than pensions. Your Committee further finds that implementation of statement numbers 43 and 45 will be done in stages. The provisions of statements 43 and 45 will require the State's financial statements to contain specific information regarding the State's provision of retiree health benefits or other post-employment benefits plans. Your Committee determines that changes to the current law regarding the EUTF are necessary to allow the State to comply with the financial reporting requirements of statement numbers 43 and 45 and to clarify the law to allow the Hawaii employer-union health benefits trust fund (EUTF) to benefit from future strategies to reduce the EUTF's liability.

Your Committee heard H.B. 3089, H.D. 1, regarding the establishment of a public employees' trust fund to offset the State's funding liability for contributions for retired employees to the EUTF under chapter 87A, Hawaii Revised Statutes. Based upon testimony submitted by the Department of Accounting and General Services, your Committee determined that the measure needed to be amended to ensure compliance with the GASB statements. However, subsequent to your Committee's passage of H.B. 3089, H.D. 1, S.D. 1, it was discovered that the new language included in the Senate Draft did not fall within the subject matter of the measure's title. Therefore, your Committee determines that this is an appropriate vehicle for properly addressing the issue.

Accordingly, your Committee has amended this measure by deleting its contents and inserting provisions to:

- (1) Amend chapter 87A, HRS, to establish that the EUTF is administered as a trust as used in GASB statements 43 and 45;
- (2) Clarify that the State and county contributions to the EUTF are irrevocable;
- (3) Specify that EUTF moneys and assets shall only be used for the exclusive benefit of the employee-beneficiaries and dependent beneficiaries;
- (4) Authorize the EUTF board to use funds for the future provision of health and other benefits plans for retirees and their beneficiaries;
- (5) Allow the EUTF board to create separate funds for the future provision of health and other benefits plans for retirees and their beneficiaries, subject to chapter 87A; and
- (6) Make the Act effective on July 1, 2006.

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

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2965 (Joint/Majority) Labor and Human Services on H.B. No. 2558

The purpose of this measure is to allow the director of labor and industrial relations to refer, for vocational rehabilitation services, employees who have been deemed unable to return to work in their normal jobs as a result of a work injury.

Testimony in support of this measure was submitted by the ILWU Local 142; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State Teachers Association; Work Star Occupational Health Systems; the International Association of Rehabilitation Professionals-Hawaii Chapter; and six individuals. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Department of Human Resources Development, and the County of Maui. Comments on the measure were also submitted by the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committees find that the current law puts into question vocational rehabilitation services for injured employees who may not suffer permanent disability, but has been deemed unable to return to work due to other reasons. Your Committees find that an important objective in workers' compensation cases is that an injured employee returns to work. The provision of vocational rehabilitation services is essential in assisting an injured employee in returning to full employment status. Your Committees determine that assisting individuals who fall within this group is in the best interest of the State, the insurers, the employers, and the injured employees.

Your Committees heard testimony that employees temporarily unable to return to work would become eligible for vocational rehabilitation services and regarding the effect of this in relation to the provision of alternate or light duty work. Therefore, the measure is amended to assess the employees' inability to return to their regular jobs at the point the injury stabilizes, where no offers for alternate work to restore employees to comparable earnings capacities have been made by the employers.

Your Committees entertained discussion on the issue of whom is the appropriate party to determine whether an injured employee is deemed unable to return to work and, thus, eligible for vocational rehabilitation services. Your Committees find that existing within the current system is a process for evaluating and determining an injured employee's medical status and eligibility for receiving vocational rehabilitation services. Under the current law, referrals are initiated from various sources based upon physicians' reports and thereafter the employer may challenge an employee's eligibility. Any challenge is heard by the director of DLIR. Therefore, no further amendment to the law is necessary.

Accordingly, your Committees have amended this measure by specifying that the director of DLIR may also refer to vocational rehabilitation services injured employees who:

- (1) Are deemed unable to return to their regular jobs after the injury may have stabilized; and
- (2) Have not been offered suitable work by the employer that would restore the employee to an earnings capacity comparable to that existing at the time of the injury.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2558, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2558, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Slom). Excused, 3 (Fukunaga, Hooser, Taniguchi).

SCRep. 2966 Transportation and Government Operations on H.B. No. 2637

The purpose of this measure is to provide temporary relief from lease and permit requirements for airport vendors who want to make improvements.

Your Committee received testimony in support of this measure from the Department of Transportation, HMSHost Hawaii Operations, and the Airports Concessionaires Committee.

Many airport concessions are in need of improvements, but a number of airport concessions have complained that, given stringent accounting rules, they cannot make necessary improvements to their concessions due to the very short, or no, remaining term on their concession leases that prevent them from amortizing further improvements. Over twenty airport concessions now experience this problem. As a result, improvements that the airports and various concessionaires would like to see are simply not happening. Hawaii's airports would have a better overall appearance and potentially enhanced revenues to the Department of Transportation if improvements could be made.

Your Committee finds that while the economy has now improved, it will take two to three years to put these twenty or more concessions out to bid. Rather than have some of these concessions forego necessary improvements for two to three more years, it would be beneficial to both concessionaires and the airports if some of the concession leases could be extended on a short-term basis to allow for some improvements. These improvements would improve the overall appearance of the airports and make the concessions more attractive to customers.

Your Committee has amended this measure by deleting its contents and inserting provisions of companion measure S.B. No. 2662, SD1, with an effective date of upon approval and a sunset date of July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2637, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 2967 (Joint/Majority) Health and Human Services on H.B. No. 3142

The purpose of this measure is to sustain trauma care resources in the State by:

- (1) Establishing the Trauma Care Fund to provide reimbursements for documented costs of uncompensated care incurred by a trauma center; and
- (2) Specify dedicated sources of revenue for the fund.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association and one individual. Testimony in support of amendments to this measure was submitted by the Healthcare Association of Hawaii, Kaiser Permanente, and The Queen's Medical Center. Testimony in opposition was received from the Department of Health and the Department of Budget and Finance. The Tax Foundation of Hawaii submitted comments.

Your Committees find that the intent of this measure is generally supported by all testifiers. However, the measure as written should be amended to clarify its purposes of ensuring availability of care for trauma patients and establishing dedicated sources of funding.

The Department of Health and the Healthcare Association of Hawaii recommend an amendment for clarification purposes that establishes an inclusive trauma system fund that will serve the needs of all residents and visitors in the State.

Your Committees further find that this measure proposes to transfer monies from the environmental response revolving fund to the trauma care fund. The Department of Budget and Finance and the Tax Foundation of Hawaii recommend amending this measure by removing the environmental response fund as a source of revenue because it does not reflect a clear nexus between the benefits sought and the charges made upon users or beneficiaries of the trauma care fund.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 2764, S.D. 2, which creates a trauma care special fund, deletes the surcharges to fund the fund, and replaces that with an additional motor vehicle registration fee. It also requires an annual report on expenditures of the special fund and progress toward developing a fully integrated statewide trauma system.

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. 3142, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3142, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Ihara, Whalen).

SCRep. 2968 Health on H.B. No. 3139

The purpose of this measure is to provide a system for children ages 4-6 years to be screened for vision, hearing, and development prior to entry into pre-school or kindergarten and to develop a Hawaii childhood screening initiative task force to plan and implement screening for children from birth to eight years of age.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Psychiatric Medical Association, Blueprint for Change, Good Beginnings Alliance, and Family Voices of Hawai'i.

Your Committee finds that early childhood screening before entry into pre-school or kindergarten is necessary for early detection and intervention of developmental and psychosocial delays in children. Early intervention plays a critical role in improving a child's eventual success in school and in relationships.

Your Committee further finds that establishing a childhood screening initiative task force is essential to the development of state policies, referral protocols, and evaluating the screening 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 H.B. No. 3139, H.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2969 Transportation and Government Operations on H.B. No. 487

The purpose of this measure, as received, is to allow counties to obtain taxpayer information from the State.

The purpose of this measure, as amended, is to exempt, from the general excise tax and use tax, the aviation fuel purchased in a foreign trade zone for use by common carriers in inter-island and intra-island transportation.

Your Committee received testimony in support of this measure from Hawaiian Airlines, Aloha Airlines, the International Association of Machinist Union-Local Lodge 1979, Air Line Pilots Association, Chamber of Commerce of Hawaii, and Hawaii State Council of Machinists. Comments were received from the Department of Taxation, State Foreign Trade Zone Administrator, and Tax Foundation of Hawaii.

Your Committee finds that as an island state, air transportation is vital to the lives of Hawaii's resident population and the economic well-being of the State. Over the past few years, the passenger air carriers serving Hawaii have been impacted financially by the dramatic increases in jet fuel. This has caused bankruptcy and reorganization of inter-island carriers.

The single largest cost to the airlines is fuel, over which the airlines have no control, and there are no alternatives to jet fuel. According to testimony, every penny change in the price of fuel affects inter-island airlines by approximately \$1,000,000.

Your Committee believes the inter-island carriers need and deserve a reprieve from state taxes on fuel. However, your Committee is concerned that the tax savings will not necessarily be realized by residents in lower fares. Therefore, your Committee urges the airlines to accommodate residents by lowering air fares, which would also stimulate travel.

Your Committee has amended this measure by deleting its contents and inserting provisions to exempt from the general excise tax and use tax, the aviation fuel purchased in a foreign trade zone for use by common carriers in inter-island and intra-island transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, H.D. 1, 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 H.B. No. 487, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 2970 (Joint) Transportation and Government Operations and Health on H.B. No. 3087

The purpose of this measure is to designate the chief executive officer of the Hawaii Health Systems Corporation as its chief procurement officer, and to raise the small purchases procurement threshold from \$25,000 to \$50,000.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, State Procurement Office, Hawaii Health Systems Corporation, West Kauai Medical Center, and four individuals.

The utmost concern of your Committees is the protection of patient care and safety. Testimony from the Hawaii Health Systems Corporation before a joint legislative committee during the interim on procurement was rife with incidences of delayed procurement or no procurement of essential medical supplies and equipment. Your Committees are cognizant of the transitional difficulties inherent in the repeal of the Hawaii Health Systems Corporation's procurement exemption pursuant to Act 216, Session Laws of Hawaii 2004. Your Committees find that designating a chief procurement officer for the Hawaii Health Systems Corporation would go a long way to facilitate timely conformity with procurement requirements.

With regard to small purchases, your Committees find that measure brings into line the reality of the costs of goods and services with the threshold of small purchase contracts. It is the intent of your Committees to facilitate procurements from smaller businesses by providing flexible and expedient purchases of smaller amounts.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3087, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3087, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hee, Kanno, Whalen).

SCRep. 2971 (Joint) Transportation and Government Operations and Health on H.B. No. 3123

The purpose of this measure is to make an appropriation to fund a study by the Department of Health to assess the structural integrity of all hospitals and nursing homes in Hawaii.

Your Committees received testimony in support of this measure from the State Department of Defense, the Department of Health, Healthcare Association of Hawaii, the Structural Engineers Association of Hawaii, and a Hawaii County Council Member.

The Office of Domestic Preparedness of the Office of Homeland Security has issued a directive, in the aftermath of Hurricane Katrina, to each state requiring them to assess their ability to evacuate and shelter residents in the event of a disaster. Of particular concern are the special populations served by hospitals and long term care facilities. Your Committees find that the residents of these facilities are the frail and elderly who are especially vulnerable to injury and death from natural disaster. Evacuation is problematic because of their age and infirmities.

This measure would appropriate funds for a study of the structural integrity of hospitals and nursing facilities to determine their ability to withstand hurricanes.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3123, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hee, Kanno, Whalen).

SCRep. 2972 Health on H.B. No. 3126

The purpose of this measure is to delete the requirement, for a rapid identification document, that a physician certify that the patient is terminally ill, and replaces the “comfort care only” bracelet or necklace with a written certification.

Your Committee received testimony in support of this measure from the Department of Health, the Healthcare Association of Hawaii, Kokua Mau, the Policy Advisory Board for Elder Affairs, and seven individuals. Your Committee received testimony in opposition from the Hawaii Right to Life-Maui Chapter.

Your Committee finds that the current “Comfort Care Only” bracelet system has proven to be ineffective in allowing health care providers to honor the wishes of a patient. A rapid identification document system allows patients to clearly communicate their health care wishes without ambiguity, confusion, or delay.

Your Committee further finds that allowing the patient’s guardian, agent, or surrogate to direct health care providers to administer comfort care only in an emergency situation is necessary to conform with existing law regarding lawfully appointed guardians, agents, or surrogates acting on behalf of incapacitated patients.

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. 3126, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 2973 (Joint) Health and Human Services on H.B. No. 3105

The purpose of this measure is to provide fee-for-service mental health consumers improved access to psychotropic medications, repeal the pre-authorization exemption for psychotropic medications, and repeal the requirement that the Department of Human Services report on the costs and effects of the Act.

Your Committees received testimony in support of this measure from the Hawaii Medical Service Association and NAMI Oahu. Your Committees received testimony in support of the intent of this measure with suggested amendments from the Department of Human Services, the Hawaii Disability Rights Center, and the Hawaii Psychiatric Medical Association. Your Committees received testimony in opposition to this measure from Kaiser Permanente.

Your Committees find that open access to psychotropic medications is necessary for successful treatment of mental illnesses. Equal access should be made available to all individuals participating in Hawaii medicaid medical plans. Testimony submitted by the Department of Human Services, the Hawaii Disability Rights Center, and the Hawaii Psychiatric Medical Association suggested amending this measure by removing the QUEST exclusion.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 3224, SD2 which:

- (1) Repeals the QUEST exemption;
- (2) Repeals the definition of “consultation” and the requirement that a prescribing physician consult with a psychiatrist prior to prescribing;
- (3) Retains the pre-authorization exemption;
- (4) Retains the reporting requirement for the Department of Human Services and extends the date one year;
- (5) Repeals the sunset date; and
- (6) Changes the defective effective date making it effective upon approval.

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. 3105, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3105, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Ihara, Whalen).

SCRep. 2974 (Joint) Health and Human Services on H.B. No. 2058

The purpose of this measure is to abolish the reproductive rights protection committee and to provide for a resource list of ad hoc panel advisors to assist family court regarding the reproductive rights of incapacitated adults.

Your Committees received testimony in support of this measure from The Judiciary, the State Council on Developmental Disabilities, and the Disability and Communication Access Board.

Your Committees find that the reproductive rights protection committee has remained inactive for the past eight years due to lack of referrals. Therefore, the committee should be abolished and replaced with a more efficient resource list of ad hoc advisors to serve when needed. Your Committees note that the abolition of the Reproductive Rights Protection Committee would not repeal the rights of an incapacitated adult.

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. 2058, and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Ihara, Whalen).

SCRep. 2975 (Joint/Majority) Transportation and Government Operations and Labor on H.B. No. 2641

The purpose of this measure is to require a construction project owner who undertakes a construction project to be used by the State or a county to sign a lease or other agreement that certifies compliance with the State's public works prevailing wage law.

Your Committees received testimony in support of this measure from the Hawaii Carpenters Union. Testimony in opposition was received from the Department of Labor and Industrial Relations, Department of Accounting and General Services, Honolulu Department of Community Services, Hawaii County Office of Housing and Community Development, and Housing and Community Development Corporation of Hawaii which withdrew its opposition after reviewing the proposed SD1 language. Comments were received from the Associated Builders and Contractors, Inc. – Hawaii Chapter.

Your Committees find that this measure closes an apparent loophole in current law of whether the requirement of paying prevailing wages on public works projects applies to construction projects built by the private sector and leased by the government according to agreement prior to construction.

This measure applies to public works that include a construction contract between private persons if more than fifty percent of the assignable square feet of a project is leased or assigned for use by the State, any county, or any agency of the State or any county for its use, whether or not the property is privately owned and under certain specified circumstances. Copies of the lease or other agreement with the contracting governmental entity would be required to be filed with the Department of Labor and Industrial Relations and the Department of Accounting and General Services.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting a provision to require a construction project owner who undertakes a construction project to be leased by the State or a county, or to be constructed pursuant to a state or county plan, to sign a lease agreement that certifies compliance with the State's public works prevailing wage law; and
- (2) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2641, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2641, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and President of the Senate on behalf of the Committees.

Ayes, 4. Noes, 2 (Slom, Whalen). Excused, 4 (Baker, Hee, Menor, Taniguchi).

SCRep. 2976 Energy, Environment, and International Affairs on H.B. No. 2848

The purpose of this measure is to meet Hawaii's energy goals by appropriating \$200,000 to reconvene the Hawaii Energy Policy Forum to implement the vision, concepts, and recommendations contained in its final report, "Hawaii at the Crossroads: A Long Term Energy Strategy."

The Department of Business, Economic Development and Tourism, the Office of Hawaiian Affairs, County of Kauai Energy Extension Service of the Office of Economic Development, the Hawaii Energy Policy Forum, the Economic Development Alliance of Hawaii, the Rocky Mountain Institute, Honolulu Seawater Air Conditioning LLC, Haiku Design & Analysis, Hawaiian Electric Company Inc., the Hawaii Renewable Energy Alliance, The Gas Company, the Hawaii Association of Realtors, and Power Light Solar Electric Systems submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that the appropriation in this measure will enable the Hawaii Energy Policy Forum to reconvene for the purpose of developing an action plan and timeline to implement the vision, concepts, and recommendations of the summit's final report. This will provide a unique opportunity for stakeholders to continue their work and for further engagement of policy-makers, decision-makers, and consumers on issues relevant to Hawaii's preferred energy future.

Upon further consideration, your Committee amended this measure by:

- (1) Adding language to section 2 to clarify that the Hawaii Energy Policy Forum is administered by the Social Science Public Policy Center of the University of Hawaii at Manoa;
- (2) Deleting the appropriation amount; and
- (3) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2848, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2977 Energy, Environment, and International Affairs on H.B. No. 1706

The purpose of this measure is to provide for environmental covenants for contaminated property to ensure long-term compliance with requirements needed to protect the public and environment when complete removal of contaminants is not feasible, practical, or necessary.

The Department of Health, the Hawaii Commission to Promote Uniform Legislation, the Land Use Research Foundation of Hawaii, and one individual submitted testimony in support of this measure. The United States Department of the Army and Hawaiian Electric Company, Inc. submitted comments.

Your Committee finds that this measure establishes a process for creating and tracking environmental covenants and provides enforcement authority to assure that owners of contaminated property observe the required management controls placed on the property by the Department of Health.

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

- (1) Changing any reference to "a municipality or other unit of local government" to "a county";
- (2) Clarifying that the agency shall determine the person who shall be required to provide a copy of an environmental covenant under the notice section;
- (3) Deleting the paragraph pertaining to an unrecorded interest in real property owned, operated, or maintained by a public utility or a provider of an essential public service;
- (4) Designating the holder as the party responsible for providing a copy of the final recorded covenant and other required documents to the Department of Health;
- (5) Clarifying that a holder may not assign the holder's interest without the consent of the other parties specified in subsection 9(a);
- (6) Changing the effective date to upon approval; and
- (7) Making technical, non-substantive amendments for clarity, consistency, and style.

Your Committee considered that the measure may affect the normal operation and maintenance of public utilities and other providers of essential public services that historically have located facilities on real property but have no recorded interest in the property, and that section 3(d)(5) was intended to remedy this. However, your Committee deleted that provision because it questions whether that provision circumvents the rights of property owners by creating an interest that the public utilities or other providers currently do not have or may not be entitled to in the real property.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 2978 Education and Military Affairs on H.B. No. 2987

The purpose of this measure is to authorize the issuance of up to \$15,000,000 in special purpose revenue bonds for Saint Louis School to finance the expansion and improvement of school facilities.

Your Committee received testimony in support of this measure from Saint Louis School, the Board of Trustees of Saint Louis School, and the Hawaii Association of Independent Schools. Comments on this measure were received from the Department of Budget and Finance.

Your Committee finds that issuance of the special purpose revenue bonds will make feasible substantial improvements to Saint Louis School that will benefit both the school and the community.

Your Committee has amended this measure by making technical, nonsubstantive amendments, and by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2987, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2987, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, (Chun Oakland, Tsutsui).

SCRep. 2979 Education and Military Affairs on H.B. No. 2347

The purpose of this measure is to appropriate funds for the continued operation of the Department of Education student transportation program.

Your Committee received testimony in support of this measure from the Department of Education (DOE).

Your Committee finds that the families of 40,000 regular education and 3,500 special needs students statewide rely on the DOE transportation system, and sufficient funds must be made available in the current fiscal year for the DOE to continue to operate the system.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2980 Education and Military Affairs on H.B. No. 2713

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$6,000,000, to assist Kawaihāo School in financing the planning, construction and improvement of its facilities.

Your Committee received testimony in support of this measure from Kawaihāo School, the Hawaii Association of Independent Schools, and Kawaihāo Church. Comments on this measure were received from the Department of Budget and Finance.

Your Committee finds that Kawaihāo School provides quality educational services for students from all over Oahu, that special purpose revenue bonds do not divert funds from public schools, and that private schools serve everyday families from all walks of life in neighborhoods throughout the State.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2713, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 2981 Education and Military Affairs on H.B. No. 2346

The purpose of this measure is to appropriate moneys for the cost of the Department of Education's (DOE) electricity usage.

Your Committee received testimony in support of this measure from the DOE.

Your Committee finds that the projected DOE shortfall is due to increases in electricity usage and costs per kilowatt-hour, and that if the DOE does not receive funds to cover this shortfall, it will no longer be able to pay for utilities beginning in April of this year.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 2982 Education and Military Affairs on H.B. No. 1860

The purpose of this measure is to appropriate funds to support the Department of Education's (DOE) website operations.

Your Committee received testimony in support of this measure from the Board of Education, the DOE, and the Hawaii Business Roundtable.

Your Committee finds that the DOE website is a two-way communication vehicle for obtaining feedback from stakeholders and other interested parties, as well as receiving and responding to inquiries, and with the increased emphasis on accountability and greater access to data, the DOE must have the ability to update and maintain its website.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2983 (Joint) Education and Military Affairs and Intergovernmental Affairs on H.B. No. 2961

The purpose of this measure is to create a revolving fund to support the Federal Revenue Maximization Program that collects and disburses revenue for Medicaid-eligible health services provided to public school children.

Your Committees received testimony in support of this measure from the Department of Education and the Department of Human Services.

Your Committees find that the establishment of a revolving fund will ensure that there is sufficient support for the administration and operation of the Federal Revenue Maximization Program.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2961, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, English, Inouye, Kim, Tsutsui).

SCRep. 2984 Intergovernmental Affairs on H.B. No. 2208

The purpose of this measure is to extend the statute of limitation for actions against a county for damage or injury from six months to two years, and to permit the counties to identify by charter which person a claimant should give notice of claim for injuries or damage sustained on public property or as a result of the negligence of a county official or employee.

Consumer Lawyers of Hawaii submitted testimony in support of this measure.

According to the Consumer Lawyers of Hawaii, the Hawaii Supreme Court ruled in *Kahale v. City and County of Honolulu*, 104 Hawaii 341 (2004), that section 46-72, Hawaii Revised Statutes, is the statute of limitations applicable to actions against the counties. This overruled an earlier decision of the court that had previously determined the applicable statute of limitations to be two years. The recent court decision found that the applicable statute of limitations for actions against the counties is six months. Prior to the recent court decision, the counties were subject to the same limitation as the state and federal governments.

There does not appear to be any reason that a county should have a different time limitation than the other levels of government. Your Committee finds that all levels of government should operate under the same two-year statute of limitation.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Nishihara).

SCRep. 2985 Intergovernmental Affairs on H.B. No. 2715

The purpose of this measure is to create an annual allowance to police officers for the maintenance of uniforms, equipment and weapons and appropriates funds to the counties to assist in providing the allowance.

The Attorney General, the City and County of Honolulu, the State of Hawaii Organization of Police Officers, and the Hawaii Government Employees Association submitted testimony in support of this measure. The Department of Budget and Finance, the Maui County Department of Personnel Services, and the Hawaii County Department of Civil Service submitted testimony in opposition.

Hawaii has some of the most qualified police officers in the nation. As a result, many of the police officers are actively recruited by other agencies. The counties are currently experiencing difficulties recruiting and retaining qualified police officers. Their police officers play a crucial role in keeping Hawaii's citizens safe.

Opponents to this measure testified that an allowance is subject to collective bargaining and this measure would interfere with the rights of the employer to negotiate on matters of wages, hours, and other conditions of employment.

Your Committee finds that an appropriation should be made to assist the counties in recruiting and retaining police officers.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting all of the original provisions; and
- (2) Making an appropriation to the counties for programs aimed at recruiting and retaining police officers.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2715, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2715, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Nishihara).

SCRep. 2986 (Joint) Intergovernmental Affairs and Energy, Environment, and International Affairs on S.R. No. 19

The purpose of this measure is to request the United States Congress to approve the proposed Hawaii Invasive Species Act.

The Department of Land and Natural Resources, the Department of Agriculture, the Conservation Council for Hawai'i, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, The Nature Conservancy, Meadow Gold Dairies, C & H Farms, the Pineapple Growers Association of Hawaii, and the Hawaii Crop Improvement Association submitted testimony in support of this measure.

Despite the efforts of numerous federal, state, and private agencies, invasive species enter Hawaii at an alarming rate and pose the single greatest threat to Hawaii's economy, natural environment, and the health and lifestyle of the State's residents.

Your Committees find that the State needs to take more aggressive action to combat this threat. Legislation currently pending before the United States Congress would grant authority for Hawaii to institute an incoming quarantine and inspection regime comparable to the outgoing regime that exists for the movement of people and cargo from Hawaii to the mainland.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 19 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 2987 (Joint) Intergovernmental Affairs and Energy, Environment, and International Affairs on S.C.R. No. 36

The purpose of this measure is to request the United States Congress to approve the proposed Hawaii Invasive Species Act.

The Department of Land and Natural Resources, the Department of Agriculture, the Conservation Council for Hawai'i, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, The Nature Conservancy, Meadow Gold Dairies, C & H Farms, the Pineapple Growers Association of Hawaii, and the Hawaii Crop Improvement Association submitted testimony in support of this measure.

Despite the efforts of numerous federal, state, and private agencies, invasive species enter Hawaii at an alarming rate and pose the single greatest threat to Hawaii's economy, natural environment, and the health and lifestyle of the State's residents.

Your Committees find that the State needs to take more aggressive action to combat this threat. Legislation currently pending before the United States Congress would grant authority for Hawaii to institute an incoming quarantine and inspection regime comparable to the outgoing regime that exists for the movement of people and cargo from Hawaii to the mainland.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 36 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 2988 (Joint) Transportation and Government Operations and Energy, Environment, and International Affairs on H.B. No. 2199

The purpose of this measure is to require the enactment of legislation to approve of an international trade agreement relating to procurement.

Your Committees received testimony in support of this measure from ILWU Local 142, Hawaii Government Employees Association, and the Hawaii State AFL-CIO. Comments were received from the Forum on Democracy & Trade.

International trade agreements negotiated by the federal government commonly contain rules that prohibit covered procurement entities from enacting legislation pertaining to procurement preferences, including preferences for domestic goods, services, or workers. Sub-national governments, such as state governments of the United States, may consent to be included in these government procurement restrictions contained in international trade agreements.

Governor Lingle purportedly committed Hawaii to be covered by recent pending agreements, including the Central American Free Trade Agreement which contains procurement provisions prohibiting covered entities from giving any preference to locally established suppliers or requiring that work be performed by workers in the United States. This provision would effectively repeal part X of chapter 103D, Hawaii Revised Statutes, establishing procurement preferences. These preferences are enacted to foster and promote economic development of certain businesses and products deemed vital to Hawaii.

Your Committees find that the consent to bind Hawaii to procurement rules contained in international trade agreements is a legislative function rather than an executive function. The Governor cannot nullify existing statutes by executive fiat or preempt the legislature from enacting statutes to establish procurement preferences or other procurement matters. Government procurement is inherently, intrinsically, and exclusively a subject matter for legislation inasmuch as the expenditure of public moneys are involved. The comprehensiveness of chapter 103D, relating to the Hawaii Public Procurement Code, evidences a legislative intent to occupy the field and to supersede other laws.

Your Committees have amended this measure by:

- (1) Creating a new chapter entitled "International Trade Agreements";
- (2) Revising the language for cogency and succinctness;
- (3) Requiring the submission to the Legislature for approval prior international trade agreements containing restrictions on procurement; and
- (4) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2199, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2199, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Hanabusa, Hee, Hooser, Kanno, Whalen).

SCRep. 2989 (Joint) Business and Economic Development and Media, Arts, Science and Technology on H.B. No. 2925

The purpose of this measure is to appropriate funds to the Community-Based Economic Development Program to financially assist the planning and implementation of community-based economic development (CBED) projects.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Alliance for Community-Based Economic Development (HACBED), and the Kona Pacific Farmers Cooperative.

The CBED Program plays an important role in assisting communities to achieve their goals and visions in economic development. Since its inception, CBED's Technical and Financial Assistance Program has committed more than \$3,800,000 to more than one hundred sixty community-based organizations statewide. Moreover, the CBED Program has been an instrumental partner in assisting community-based institutions to plan and implement economic initiatives that create jobs. Last year, CBED grantees created or retained over one hundred seventy-three jobs.

Your Committees find that despite the state economy's unprecedented growth, there are still economic segments in the State that sorely needs programs like the CBED Program. Local communities and six hundred workers will be severely affected by the closure of the Del Monte operations, and the recent heavy rains and flooding have been catastrophic to local residents and farming communities. An appropriation of funds to provide grants under CBED's Technical and Financial Assistance Program will allow the CBED Program to continue to fund community-based projects that create jobs, establish or expand new ventures, and allow communities to become more empowered.

Your Committees have amended this measure by changing the effective date from July 1, 2020 to becoming effective upon its approval.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2925, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2925, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Menor, Hogue).

SCRep. 2990 (Majority) Business and Economic Development on H.B. No. 3077

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the total amount not to exceed \$10,000,000 to assist Rosette Steel Hawaii in manufacturing steel products for affordable houses.

Your Committee received testimony in support of this measure from Rosette Steel Hawaii, LLC. The Department of Budget and Finance submitted comments.

Part III, chapter 39A, Hawaii Revised Statutes, authorizes the Department of Budget and Finance with the approval of the governor, to issue special purpose revenue bonds for the purpose of assisting a manufacturing enterprise. Your Committee finds that the manufacturing of steel products constitutes a project as defined in part III, chapter 39A, Hawaii Revised Statutes, and the financing of Rosette Steel Hawaii's manufacturing of steel products for affordable houses is assistance to a manufacturing enterprise.

Your Committee has amended this measure by changing the effective date of this measure from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3077, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3077, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 1 (Menor).

SCRep. 2991 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on H.B. No. 2263

The purpose of this measure is to establish the invasive species inspection, quarantine, and eradication fund to prevent importation of invasive species, and to appropriate funds.

The Department of Agriculture, the Department of Land and Natural Resources, the Department of Transportation, the Hawaii Farm Bureau, the Maui County Farm Bureau, The Nature Conservancy, the Pineapple Growers Association of Hawaii, the Hawaii Agriculture Research Center, C & H Farms, the Hawaii Crop Improvement Association, Young Brothers Limited, and Meadow Gold Dairies submitted testimony in support of this measure. Alexander & Baldwin Inc. and its subsidiary Matson Navigation Company Inc., the Conservation Council for Hawaii, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure with amendments. The Department of Budget and Finance submitted testimony in opposition.

Your Committees find that increased global traffic of goods has resulted in an increased risk to Hawaii from invasive species. Insects, diseases, weeds, and other invasive species are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of its people. Your Committees find that the State must take a more aggressive approach to controlling invasive species through various inspection, quarantine, and eradication measures.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting its original provisions as they related to an invasive species inspection, quarantine, and eradication fund;
- (2) Making an appropriation to the Department of Agriculture for the inspection, quarantine, and eradication of invasive species, including the operation of inspection and monitoring programs and facilities in the State and the execution of emergency remedial measures when invasive species are detected; and
- (3) Making the measure effective on July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2263, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2263, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Hanabusa, Hee, Kanno, Whalen).

SCRep. 2992 Business and Economic Development on S.C.R. No. 37

The purpose of this measure is to request the Auditor to conduct a sunrise analysis of regulating mixed martial arts contests.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division and the Regulated Industries Complaints Office, which are both parts of the Department of Commerce and Consumer Affairs.

Mixed martial arts contests, originally from Brazil, rose to popularity in the early 1990s, and are now sanctioned in at least thirty-nine states. Mixed martial arts contests have been described as a mix of tae kwon do, boxing, wrestling, and judo, and involves a pair of skilled athletes who attempt to inflict physical injury to achieve a knockout or submission of the other opponent. Currently, the State does not regulate mixed martial arts contests. Under section 26H-6, Hawaii Revised Statutes, the Auditor is required to conduct a sunrise analysis before new regulatory measures of unregulated professions or vocations are enacted by the Legislature.

Your Committee finds that a sunrise analysis of regulating mixed martial arts contests will be useful in assessing alternative forms of regulation and fee structures that may be applied to this activity. The regulation of mixed martial arts contests will legitimize the sport and recognize its growing popularity.

Your Committee has amended this measure by:

- (1) Deleting the reference to H.B. No. 3223 and replacing it with H.B. No. 3223, H.D.1 to correctly refer to the latest House draft;
- (2) Adding the Director of Commerce and Consumer Affairs to receive a certified copy of this measure because the Director will be charged with implementing the findings and recommendations of the sunrise study; and
- (3) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 2993 (Joint) Intergovernmental Affairs and Transportation and Government Operations on H.B. No. 1819

The purpose of this measure is to correct various inconsistencies and erroneous references in sections of the Hawaii Revised Statutes related to intoxicating liquor, particularly in relation to the ability of a guest to purchase alcohol at a club.

There was no testimony submitted on this measure.

Your Committees find it is necessary to amend various inconsistencies and erroneous references in sections 281-35, 281-41, and 281-94, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1819, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2994 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 1809

The purpose of this measure is to allow a member of the United States Armed Forces, or any component thereof, who is on active duty when the person's driver's license is due to be renewed, an extended period of time in which to renew the license.

The extended period of time is ninety days from time of return to the State or discharge from hospitalization, with appropriate documentation.

Your Committees received testimony in support of this measure from the State Department of Defense, Honolulu Department of Customer Services, Hawaii National Guard Enlisted Association, and Chamber of Commerce of Hawaii.

Your Committees find that as America's "War on Terrorism" continues, this measure would provide a benefit to the members of the armed forces from Hawaii on mobilization and deployments. Guard service is a difficult and demanding duty when our troops are deployed or mobilized. They have to balance finances, jobs, and families. This measure is a small adjustment for the State but big relief for them, knowing that their motor vehicle registrations will wait until their return.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1809, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1809, H.D. 2, S.D. 1, and be referred to the Committee on Education and Military Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2995 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 1825

The purpose of this measure is to establish that unpaid traffic infractions remain the responsibility of the person who owned the vehicle at the time of the citation was issued, even if the person thereafter transfers the vehicle or the vehicle is repossessed by the lienholder.

Your Committees received testimony in support of this measure from the Hawaii Credit Union League. Testimony in opposition was received from Catrala-Hawaii although it supported a similar Senate Bill restricted to parking violations. Comments were received from the Judiciary.

Your Committees find that current law attaches traffic infractions to the vehicle rather than the vehicle's owner, which prevents the registration and transfer of ownership to a new owner until the fines are paid. This situation has wreaked havoc with some motor vehicle registration transfers by refusing to permit the transfer until the new owner pays for the fines incurred by the previous owner.

In the past, citations issued against vehicles have hindered those purchasing them from registering the vehicles. This measure corrects that problem by permitting the new owner to register the vehicle, while requiring the previous owner who incurred the citations to pay the fines.

Your Committees have amended this measure by deleting its contents and inserting provisions of S.B. No. 2065, SD2, which:

- (1) Clarifies the purpose section;
- (2) Restricts the bill to parking violations, instead of all traffic infractions;
- (3) Makes a conforming amendment in the law on adjudication of traffic infractions; and
- (4) Removes encumbrances on drivers' licenses.

Your Committees note that this measure, in its original form and as amended, leaves open a specific retroactive date. There may be a large number of transfers affected, so an unspecified retroactive date may be justified to cover all such incidences. Your Committees would defer to the Committee on Judiciary and Hawaiian Affairs to determine the appropriate retroactive provision.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1825, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1825, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2996 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2708

The purpose of this measure is to prohibit a person, for consideration, from operating or parking a vehicle or trailer carrying a vehicular advertising device for consideration or any other economic benefit.

Your Committees received testimony in support of this measure from the Sierra Club Hawaii Chapter, Conservation Council for Hawaii, Na Leo Pohai, and the Outdoor Circle. Testimony in opposition was received from the Hawaii Ship Agents Association. Comments were received from the Attorney General.

This measure is intended to address the situation of commercial billboard vehicles that roam the highways and streets with advertisements on the sides and back of the vehicle. These vehicles are for hire and the ads are not related to any business of the owner of those vehicles. Advertising in this fashion is the effective equivalent of moving billboards, which are restricted by chapter 445, Hawaii Revised Statutes. The majestic beauty and lovely scenery of Oahu is no less marred by mobile billboards and signage, which should also be prohibited.

Your Committees find that this measure does not regulate expressive speech or political advertising. However, your Committees are cognizant that any measure attempting to regulate advertising may be fraught with constitutional issues. The testimony of constitutional law Professor Jon M. Van Dyke of the William S. Richardson School of Law on behalf of The Outdoor Circle indicates that this measure will pass constitutional muster.

Your Committees have amended this measure by:

- (1) Deleting the definition of "person" which is defined in section 1-19, Hawaii Revised Statutes; and
- (2) Providing for a graduated monetary penalty for the first, second, and third offenses.

Your Committees defer to the discretion of the Committee on Judiciary and Hawaiian Affairs concerning the severity of the penalty. Your Committees believe that the penalty should serve as a deterrent.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2708, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2708, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2997 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2737

The purpose of this measure is to require the Attorney General to assist in resolving ownership issues relating to Honopou road, including Honopou bridge, of the Honopou district in Maui County, and to require the Department of Transportation to determine the costs of strengthening Honopou bridge to allow firetrucks to safely cross and reach area residents.

Your Committees received testimony in support of this measure from the Department of Transportation, Maui County Mayor, and a Maui Council Member.

According to testimony of the Department of Transportation, the legal owner of Honopou Road is unknown. This raises a predicament for the repair and maintenance of the road and of Honopou bridge. The current situation could be disastrous for public safety if the bridge collapses under the weight of vehicles, or if firetrucks refuse to cross the bridge for fear of such a result.

Your Committees have amended this measure by changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2737, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2998 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 3037

The purpose of this measure is to require the district court and family court to notify the driver's license examiner of all persons under the age of eighteen who have pending violations or proceedings that might result in the suspension or revocation of the provisional license, and any pending adjudication of an offense relating to the operation of a motor vehicle.

Your Committees received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, Honolulu Department of Customer Services, and Mothers Against Drunk Driving Hawaii. Comments were received from the Judiciary.

Under present law and procedures, adjudications of minors in the family court involving traffic offenses are not made known to agencies which need such information for purposes of the provisional driver licensing program. Your Committees find that the driver's licensing examiner needs this information to administer the provisional driver licensing program in accordance with law.

Your Committees have amended this measure to change the effective date to July 1, 2007, to give the Judiciary adequate time to coordinate the details of transfer of information and make computer interface modifications.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3037, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3037, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 2999 Transportation and Government Operations on H.B. No. 3121

The purpose of this measure is to ensure the welfare of pet animals by providing emergency shelters during civil defense emergency periods.

Your Committee received testimony in support of this measure from the State Civil Defense.

Your Committee is concerned with the welfare of pet animals during emergencies; however, of equal concern is the fact that many pet owners, worried about their pets' safety, may be dissuaded or delayed in seeking proper shelter in these emergencies. As recent events have shown, many pet owners would put themselves in harm's way rather than abandon their pets.

Your Committee finds that this measure would clarify the responsibilities of the State Civil Defense in disaster preparedness efforts as well as provide for the designation and management of pet-friendly emergency shelters.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3121, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3121, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3000 Media, Arts, Science and Technology on H.B. No. 3057

The purpose of this measure is to appropriate funds to the High Technology Development Corporation (HTDC) for the Small Business Innovation Research (SBIR) Grant Program, the Small Business Technology Transfer (STTR) Program, and the Phase 0 Competition Assistance Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, the Hawaii Aquaculture Association, the Hawaii Science and Technology Council, and the Chamber of Commerce of Hawaii.

Since its inception in 1989, the SBIR Grant Program has assisted in increasing the number of research and development projects and small start-up technology companies in the State. A state investment of \$3,700,000 has returned \$56,500,000 in federal research dollars to the State and \$57,500,000 in investments from and commercial contracts with public and private sectors. The STTR Program is similar to the SBIR Program, but additionally requires that a percentage of the project work be performed by a research institution located in the State. The combined SBIR, SSTR, and Phase 0 Competition Assistance Programs can do more to support the growth of Hawaii's technology industries, such as the agricultural research and development industry, if their funding is increased. Annual funding since 1989 has remained relatively at the same level as growth in the number of technology companies receiving federal awards or grants has increased significantly.

Your Committee finds that promoting the development of Hawaii's science and technology sector is one of the key components of the State's efforts in diversifying and expanding the state economy. Essential to this effort is moving the research knowledge beyond the development stage and into commercialization. Your Committee further finds that an appropriation to fund the SBIR Program will enable the State to meet the demands of a growing science and technology sector and to expand the SBIR program to include the STTR Program and the Phase 0 Competition Assistance Program.

Your Committee has amended this measure by changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3057, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3057, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3001 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2503

The purpose of this measure is to delete the requirement that a vehicle be ten years or older to be deemed a derelict vehicle for purposes of disposal, and to remove the word "previous" in relation to registration for purposes of qualifying for derelict vehicle disposal.

This measure also makes a conforming amendment to change references to Housing and Community Development Corporation of Hawaii to Hawaii Public Housing Administration and related references.

Your Committees received testimony in support of this measure from State Attorney General, Maui County Mayor, and Honolulu Department of Customer Services.

Your Committees find that this measure would allow for the faster removal of abandoned vehicles from public roadways while simultaneously saving the counties time and expense of auctioning vehicles in such poor condition. Vehicles that are ten years or older are rarely claimed or purchased at auction. Your Committees find that the County of Maui has a particularly acute problem of abandoned vehicles. According to testimony, on any given day there are approximately 120 vehicles waiting to be towed. This backlog is due in large part to current law that specifies when vehicles may be considered derelict. This measure would give the counties the immediate authority to tow and process vehicles that are less than ten years old and clearly derelict.

Your Committees have amended this measure by:

- (1) Deleting the repeal of the word "previous" in relation to registration for purposes of qualifying the vehicle as derelict; and

- (2) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2503, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2503, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 3002 Media, Arts, Science and Technology on S.C.R. No. 11

The purpose of this measure is to request that the Legislature support and provide additional financial support for historic preservation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Hawaii has a unique and spectacular history found nowhere else in the world, which should be preserved and shared for current and future generations as well as for the millions of tourists that visit the State each year. Studies have shown that historic preservation can benefit the state economy by attracting tourists to historic sites, creating jobs, and increasing property values. The Historic Preservation Division of the Department of Land and Natural Resources has an inventory of approximately 38,000 historic places and this number increases by approximately 1,000 additional sites per year. Additional funding for historic preservation will enable Native Hawaiian communities to further protect their cultural landscapes and preserve areas that are vital for traditional gathering, religious practices, and the restoration of native ecosystems.

Your Committee finds that historic preservation promotes economic growth for the State and protects the State's unique cultural heritage for future generations. Your Committee urges the Legislature to support and provide financial support for historic preservation efforts statewide.

Your Committee has amended this measure by:

- (1) Adding the proper citations for the United State Code and Hawaii Revised Statutes;
- (2) Adding the Chairperson of the Board of Land and Natural Resources as a recipient of a certified copy of this measure; and
- (3) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 11, 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. 11, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3003 (Joint) Labor and Judiciary and Hawaiian Affairs on H.B. No. 2211

The purpose of this measure is to repeal the definition of "day" or "days" under the State's workers' compensation laws.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Hawaii State AFL-CIO, the ILWU Local 142, the Hawaii Employers' Mutual Insurance Company, Inc, and the Hawaii Insurers Council.

Your Committees find that Act 11, Special Session Laws of Hawaii 2005, was enacted to reform workers' compensation law to ensure injured employees timely receive the rights and benefits to which they are entitled under the law. Included within the Act was the creation of a definition for the terms "day" or "days" to mean working rather than calendar days. Your Committees further find that this definition has resulted in the unintended consequence of requiring injured employees to suffer further delays in receiving benefits, medical treatment, or decisions on claims. It was not the intent of the Legislature to impede, but instead to help to expedite, the processing of workers' compensation claims.

Your Committees understand that there are concerns regarding the effect of the repeal of this definition in reducing the number of days currently allowed for injured employees to approve or object to treatment plans and file motions, pre-hearing notifications, and appeals. Therefore, your Committees believe that this measure should continue to progress throughout the session to allow the issues to be further explored and appropriate amendments to be ascertained in order to properly address and not further exacerbate the current problems.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to July 1, 2050 to allow further discussion on the measure; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2211, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2211, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3004 Judiciary and Hawaiian Affairs on H.B. No. 1917

The purpose of this measure is to propose a constitutional amendment to establish a salary commission to review and make recommendations for the salary of the governor, the members of the legislature, justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments, excluding the University of Hawaii and the Department of Education.

Your Committee received testimony in support of the measure from the Hawaii Government Employees Association and an individual. The Judiciary, the Department of Human Resources Development, and the Department of Business and Economic Development submitted comments on this measure.

Your Committee finds that having one commission to review and recommend the salaries for the governor, the members of the legislature, justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments will lend fairness and consistency to the process.

Your Committee amended this measure to:

- (1) Correlate with the changes recommended for H.B. 1918, HD1, requiring the salary commission to submit its recommendations no later than the fortieth legislative day of the 2008 regular session and every six years thereafter; and
- (2) Delete the defective effective date and insert that this measure shall take effect upon compliance with article XVII, section 3, of the state constitution.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1917, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1917, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3005 Judiciary and Hawaiian Affairs on H.B. No. 1918

The purpose of this measure is to establish a commission on salaries to review and recommend the salary of the governor, the members of the legislature, justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association and an individual. The Attorney General, the Department of Human Resources Development, and the Judiciary submitted comments on this measure.

Your Committee finds that having one commission to review and recommend the salaries for the governor, the members of the legislature, justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments will lend fairness and consistency to the process. In addition, your Committee notes that the salary commission should have discretion to allow for graduated salary increases tied to cost of living increases.

Your Committee has amended this measure to:

- (1) Require the salary commission to convene in the month of November 2006, and every six years thereafter;
- (2) Require the salary commission to submit a report of its findings and its salary recommendations not later than the fortieth legislative day of the 2008 regular session and every six years thereafter;
- (3) Provide that the salary commission's reconvening following a legislative disapproval shall not toll the six-year cycle;
- (4) Include an appropriation of \$50,000; and
- (5) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918, H.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 1918, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3006 Judiciary and Hawaiian Affairs on H.B. No. 2303

The purpose of this measure is to streamline the child support enforcement process by allowing income withholding to continue when current child support terminates and there are outstanding arrears owed.

This measure also enables the Child Support Enforcement Agency to adopt administrative rules as necessary to implement income withholding requirements of chapter 576D and Title IV-D of the Social Security Act.

Your Committee received testimony in support of this measure from the Attorney General.

Your Committee finds that presently, when a non-custodial parent's obligation to pay current child support ends, income withholding is normally stopped even if the individual owes back child support. Either a judicial or administrative action must then be initiated to establish an order to liquidate the arrears and concurrently establish a new withholding order for the liquidation. This measure would permit the Child Support Enforcement Agency to utilize the existing income withholding order and would negate the need for the time-consuming process of reinstatement of income withholding for the payment of unpaid child support. Enabling the Child Support Enforcement Agency to have income withholding collection continue when current support terminates and apply these collections to arrears is expected to increase the performance level for collection on arrears without expending more resources. This measure will assist in making the child support enforcement process a more efficient one.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2303, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3007 Judiciary and Hawaiian Affairs on H.B. No. 2625

The purpose of this measure is to appropriate funds for the travel expenses of Hawaii commissioners to the National Conference of Commissioners on Uniform State Laws.

Your Committee received testimony in support of this measure from Hawaii's Commission to Promote Uniform Legislation.

Your Committee finds that the Hawaii's Commission to Promote Uniform Legislation has an important role in drafting and revising uniform legislation on matters of state interest. The funds appropriated in this Act will allow the Commission to continue its work and will allow the Commission to attend the National Conference of Commissioners on Uniform State Laws 2006 annual meeting.

Your Committee has amended this measure to include an appropriation of \$57,500 in accordance with testimony received from Hawaii's Commission to Promote Uniform Legislation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2625, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2625, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3008 Judiciary and Hawaiian Affairs on H.B. No. 2823

The purpose of this measure is to establish a bill of rights day to develop awareness and appreciation for the freedoms our country enjoys.

Specifically, this measure designated December 15th as "Bill of Rights Day" and appropriates funds for various activities for the commemoration and observation of Bill of Rights Day.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the League of Women Voters of Hawaii, the American Civil Liberties Union of Hawaii, and seven individuals.

Your Committee finds that the Bill of Rights incorporates important freedoms and rights that should be remembered and honored each year as cornerstones of our constitutional form of government.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2823, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3009 Judiciary and Hawaiian Affairs on H.B. No. 1983

The purpose of this measure is to authorize the chief justice to suspend court deadlines during a period of civil defense emergency.

Your Committee received testimony in support of the measure from the Judiciary.

Your Committee finds that this measure would provide the Chief Justice of the Hawaii Supreme Court with a useful tool for temporarily preserving the rights of litigants during a civil defense emergency. Your Committee also notes that this suspension applies to statutory deadlines.

Your Committee has amended this measure to change the effective date from January 1, 2020, to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1983, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1983, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3010 Judiciary and Hawaiian Affairs on H.B. No. 2207

The purpose of this measure is to amend the law defining continuous sexual assault of a minor to permit the jury to convict if it is unanimous in finding that the defendant committed at least three prohibited acts, even if it cannot unanimously agree which three acts constitute the offense.

Your Committee received testimony in support of this measure from the Attorney General, the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for the County of Maui, the Honolulu Police Department, the Hawaii Family Forum, the Hawaii Catholic Conference, and the Sex Abuse Treatment Center. The Office of the Public Defender and the Japanese American Citizens League of Hawaii submitted testimony in opposition to the measure.

Your Committee finds that this measure, along with the proposed constitutional amendment in S.B. 2246, is intended to reverse the effect of *State v. Rabgo*, 103 Haw. 263 (2003). Under the current law, it is difficult to prosecute those who repeatedly sexually assault young children, because of the difficulty young children have in remembering the individual dates on which they were sexually assaulted. This measure would permit juries to convict a person of the continuous sexual assault of a child, if each member of the jury was convinced beyond a reasonable doubt that the defendant had sexually assaulted the child the required minimum number of times, even if there were no unanimity as to the individual assaults, thus making it easier to prosecute those who repeatedly sexually assault children.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2207, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2207, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3011 Judiciary and Hawaiian Affairs on H.B. No. 2898

The purpose of this measure is to allow the district courts to have jurisdiction over cases subject to arbitration agreements where the disputed amount is \$10,000 or less.

Your Committee received testimony in support of this measure from the Hawaii State Bar Association Collection Law Section.

Your Committee finds that labor arbitrations should be within the jurisdiction of the circuit courts and not the district courts, regardless of the amount in controversy.

Therefore, your Committee amended this measure to specify that for cases involving arbitration subject to chapters 89 and 377, Hawaii Revised Statutes, or the National Labor Relations Act, "court" means the circuit court of the appropriate judicial circuit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2898, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3012 Judiciary and Hawaiian Affairs on H.B. No. 2899

The purpose of this measure is to repeal the requirement for a judgment debtor's social security number when recording a judgment, order, or decree for lien purposes. This measure also states that liens do not continue beyond the time period that the underlying judgment, order, or decree is enforced and clarifies that liens apply to judgments, orders, and decrees.

Your Committee received testimony in support of this measure from the Attorney General, the Hawaii State Bar Association Collection Law Section, and the Hawaii Bankers Association. The Consumer Data Industry Association submitted comments on this measure.

Your Committee finds that there needs to be a balance between the necessity of identifying a judgment debtor and concerns about identity theft when personal information, such as a social security number, is public record.

In order to address this concern, your Committee has amended this measure to:

- (1) Specify that this provision applies to any money judgment, including its underlying order, to clarify the connection between the subject of the measure and the measure's title; and
- (2) Require that every judgment shall have endorsed on it the last four digits of the judgment debtor's social security number.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2899, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2899, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3013 Judiciary and Hawaiian Affairs on H.B. No. 2900

The purpose of this measure is to add a voter verifiable paper audit trail that contains a record of the voter's ballot selections to be used to verify a voter's vote as an alternate requirement for verification in electronic voting.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of the County Clerk for the County of Maui, the Office of the County Clerk for the County of Hawaii, the Office of the City Clerk for the City and County of Honolulu, the Office of the County Clerk for the County of Kauai, the Office of the County Clerk for the County of Hawaii, the Hawaii State Teachers Association, and the League of Women Voters of Hawaii. The Disability and Communication Access Board took no position on the measure but submitted comments.

Your Committee finds that this measure clarifies that electronic voting systems may generate either a paper ballot or a voter verifiable paper audit trail to verify a voter's votes. Adding the voter verifiable paper audit trail will further accessibility, especially for disabled voters, to voting and will strengthen the fairness, security, and integrity of elections.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2900, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3014 (Joint) Health and Human Services on H.B. No. 2098

The purpose of this measure is to enable developmentally disabled or mentally retarded individuals the freedom to choose to live in a safe residential setting of their choice provided that they can be sustained with supports, and the supports are attached to that individual.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Disability Rights Center, and The Arc of Kauai. The Department of Health submitted testimony supporting the intent of this measure.

Your Committees find that it is important for individuals with developmental disabilities or mental retardation to have community residential alternatives in a setting of their choice. Federal court decisions require states to provide residential options to persons with developmental disabilities.

Your Committees further find that the State Council on Developmental Disabilities is the appropriate agency to engage in systems change activities and provide information and recommendations to the Legislature.

Your Committees have amended this measure by replacing the contents of Section 1 with S.B. No. 2509, Section 1, which are substantively similar, except for technical differences.

Your Committees further amended this measure by changing the reporting agency from the Department of Health to the State Council on Developmental Disabilities.

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. 2098, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2098, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Ihara, Whalen).

SCRep. 3015 Judiciary and Hawaiian Affairs on H.B. No. 2278

The purpose of this measure is to make an appropriation out of the general fund to be deposited into the DNA registry special fund.

This measure also makes an appropriation out of the DNA registry special fund to pay for costs associated with the implementation of Act 112, Session Laws of Hawaii 2005. In addition, this measure appropriates funds out of the general fund to pay for costs associated with the implementation of Act 133, Session Laws of Hawaii 2005.

Your Committee received testimony in support of this measure from the Judiciary, the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, Child and Family Services Maui Office, the Sex Abuse Treatment Center, and the YWCA of Kauai.

Your Committee finds that the purpose of this measure is to provide two emergency appropriations:

- (1) To pay for DNA testing of persons convicted of felony offenses as mandated by Act 112, Session Laws of Hawaii 2005 (Act 112); and
- (2) To pay for programs for the prevention of sexual violence and the protection and treatment of victims of sexual violence as provided in Act 133, Session Laws of Hawaii 2005 (Act 133).

Your Committee further finds that neither Act 112 nor Act 133 appropriated any funds. This measure would remedy this by providing the funding necessary to accomplish each act's important objective.

Your Committee has amended this measure to:

- (1) Include \$97,992 for the Judiciary's costs for the collection of buccal swab samples in accordance with testimony received from the Judiciary; and
- (2) Include the following sums for the emergency appropriation for DNA testing as requested by the Attorney General:
 - (a) \$186,620 for the purchase of buccal swab collection kits and for mailing costs;
 - (b) \$191,500 for costs related to collecting buccal swab samples (with the Judiciary's costs, this totals \$289,492); and
 - (c) \$836,247 for costs related to analyzing samples collected.

These amounts equal a total appropriation of \$1,312,359 for the DNA registry special fund and an appropriation of \$1,076,217 for sexual assault services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2278, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2278, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3016 Judiciary and Hawaiian Affairs on H.B. No. 2540

The purpose of this measure is to make an appropriation to increase volunteer precinct official stipends.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of the County Clerk for the County of Maui, the Office of the City Clerk for the City and County of Honolulu, the Office of the County Clerk for the County of Kauai, the Association of Clerks and Election Officers of Hawaii, and the League of Women Voters of Hawaii.

Your Committee finds that in order to encourage participation, an appropriation should be made to increase volunteer precinct official stipends. Your Committee further clarifies that precinct officials are volunteers and the stipend they receive is not to be considered a salary but is to reimburse volunteer precinct officials for their out-of-pocket expenses.

Your Committee has amended this measure to include an appropriation of \$96,542 in accordance with the testimony provided by the State of Hawaii Office of Elections.

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

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3017 (Joint) Health and Human Services on H.B. No. 3259

The purpose of this measure is to provide dental health services to QUEST-eligible adults and children, the aged, the blind, and the disabled population by appropriating funds for community-based dental health clinics that are operated by community health centers or other community-based organizations.

Your Committees received testimony in support of this measure from the Department of Human Services, the State Council on Developmental Disabilities, the Kokua Council, Hawaii Psychiatric Medical Association, the Molokai Community Health Center, Blueprint for Change, NAMI Oahu, Kokua Kalihi Valley, and seventeen individuals. The Department of Health, Hawaii Disability Rights Center, and the Hawaii Primary Care Association submitted testimony in support of the intent of this measure. The Department of the Attorney General expressed concerns about the measure.

Your Committees find that there is a critical need for accessible dental services for QUEST-eligible adults and children, the developmentally disabled, and the uninsured. Appropriating funds to the Department of Health to contract with federally qualified health centers will provide these necessary dental services to those in need in an effective and cost-efficient manner. Your Committees further find that the value of this appropriation will be maximized by allocating funds for equipment and service delivery.

Accordingly, your Committees have amended this measure by changing the population to be served by the community-based dental services to QUEST-eligible adults and children, the developmentally disabled, and the uninsured.

Your Committees further amended this measure by including equipment and service delivery in the appropriation.

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. 3259, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3259, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Ihara, Whalen).

SCRep. 3018 Education and Military Affairs on H.B. No. 1879

The purpose of this measure is to appropriate funds for the Office of Veterans Services' quarterly newsletter to disseminate important information about various veteran-related events and services.

Your Committee received testimony in support of this measure from the Department of Defense Office of Veterans Services, the Department of Defense Advisory Board on Veterans Services, and two individuals.

Your Committee finds that the Office of Veterans' Services newsletter provides essential information to the veteran-related community, and should receive state financial support.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3019 (Joint) Media, Arts, Science and Technology and Commerce, Consumer Protection and Housing on H.B. No. 3244

The purpose of this measure is to prevent further occurrences of electronic commerce-based crimes in the State by supporting the efforts of the Hawaii Anti-Phishing Task Force by:

- (1) Changing the name of the Hawaii Anti-Phishing Task Force;
- (2) Extending the life of the task force;
- (3) Expanding the responsibilities of the task force;
- (4) Adding additional member to the task force; and

(5) Appropriating funds.

Your Committees received testimony in support of this measure from the Department of the Attorney General; the Department of Commerce and Consumer Affairs; the Judiciary; the Department of the Prosecuting Attorney, County of Maui; the Hawaii Bankers Association; the Hawaii Financial Services Association; and the Consumer Data Industry Association (CDIA). The Legislative Reference Bureau submitted comments.

Your Committees have amended this measure by deleting its contents and inserting language from S.B. No. 2157 S.D.1. In addition to the task force provisions, S.B. No. 2157 S.D.1 appropriates funds to the Department of the Attorney General for a uniform identity theft complaint tracking system, an increase in community outreach programs, and a study on the nexus between methamphetamine use and identity theft.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. By reviewing Hawaii's and other jurisdictions' activities, policies, directives, and laws relating to the prevention, monitoring, and enforcement of electronic commerce-based crimes, the Task Force determined that identity theft was a more pervasive and serious problem than was previously recognized. Its recommendations have focused primarily on providing law enforcement with better tools to prosecute identity theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

In the course of its discussions, the Task Force decided to broaden its focus from phishing scams to the more pervasive problem of identity theft, which encompasses phishing and other electronic commerce-based crimes. Therefore, your Committees find that changing its name to the Identity Theft Task Force, extending its life to December 31, 2007, adding additional members, and expanding its responsibilities will allow the Task Force to continue to make recommendations on how the State can combat further occurrences of identity theft. Moreover, your Committees find that appropriating funds to the Office of the Auditor for support services will provide the Task Force the additional support it needs to continue its work.

Your Committees further find that the Task Force designated the Department of the Attorney General to pursue three methods to combat identity theft in Hawaii, which funding is needed to implement. Funding is needed to:

- (1) Establish a uniform system of tracking cases, which will ultimately assist state law enforcement personnel to comprehend the depth and scope of identity theft and provide a more effective and efficient response to the growing problem;
- (2) Support current identity theft community outreach programs, and retain experienced media or public relations firms to develop television, print, and radio public service announcements; and
- (3) Support a study on the nexus between methamphetamine use and identity theft because understanding the relationship between the two will aid law enforcement and the public in better understanding how to address and respond to the increasing problem of identity theft.

The Judiciary and Hawaii Financial Services Association recommend and your Committees recognize that the list of designated Task Force members may need clarification. In light of the submitted testimony, clarification is needed in specifying the proper title or office of each member, allowing all individual members or organizations to designate a representative, and maintaining a consistent list of members by ensuring that organizations or areas members represent do not overlap with each other. Your Committees believe that the Committee on Judiciary and Hawaiian Affairs and the Committee on Ways and Means should continue further discussion on this matter.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3244, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3244, H.D. 1, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees
Ayes, 7. Noes, none. Excused, 2 (English, Espero).

SCRep. 3020 Water, Land, and Agriculture on H.B. No. 2806

The purpose of this measure is to appropriate money for the Hawaii 2050 sustainability task force to continue its efforts.

Testimony in support of this measure was submitted by the Office of the Auditor; the Office of Planning; Asia Pacific Flowers, Inc.; Green Point Nurseries; Hawaii Biotech, Inc.; Navatek Ltd.; and OmniTrak Group Inc.

Your Committee finds that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the Hawaii 2050 Sustainability Task Force (task force) to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In Act 8, \$100,000 was appropriated for each of two fiscal years to create the 2050 Sustainability Plan. However, after reviewing the task force's report and the Office of the Auditor's testimony, your Committee finds that this appropriated amount is inadequate to accomplish Act 8's objectives. Accordingly, this measure provides a vehicle to appropriate the necessary funding to accomplish the task force's goals and objectives.

Your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 3138, which provides an appropriation strictly for the preparation of the Hawaii 2050 Sustainability Plan.

Your Committee, however, acknowledges that the following goals and objectives listed in section two of this measure are worthy of further evaluation by the task force. Specifically, the task force should use the additional money to:

- (1) Conduct valuable policy analyses;
- (2) Gather vital research and data;
- (3) Conduct and solicit broad community outreach and input from all sectors; and
- (4) Launch an effective public education and media campaign to educate, engage, and inspire community participation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2806, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2806, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3021 Water, Land, and Agriculture on H.B. No. 2772

The purpose of this measure is to increase criminal penalties for damage to agricultural and aquacultural crops.

Testimony in support of this measure was submitted by the Department of Agriculture; the City and County of Honolulu's Department of the Prosecuting Attorney; Alexander & Baldwin, Inc.; C&H Farms; the Hawaii Agriculture Research Center; the Hawaii Aquaculture Association; the Hawaii Crop Improvement Association; the Hawaii Farm Bureau; the Hawaii Tropical Fruit Growers Association; the Maui County Farm Bureau; Meadow Gold Dairies; and the Pineapple Growers Association of Hawaii.

Your Committee finds that increasing the penalties for criminal property damage offenses is consistent with the great impact that these crimes have on Hawaii's agricultural industry and the ability of individual farmers and ranchers to earn a living. This measure strengthens the penalties for criminal property damage by recognizing the actual loss of agricultural and aquacultural property suffered by farmers and ranchers as a result of the criminal actions and imposes the appropriate penalties.

Your Committee noted testimony from the City and County of Honolulu's Department of the Prosecuting Attorney's Office recommending that this measure be replaced with S.B. No. 2492, S.D. 1, which also strengthens the penalties for criminal property damages. S.B. No. 2492, S.D. 1 specifically includes a definition of aquacultural equipment, supplies, and products and permits an enhanced offense for damages made to agricultural and aquacultural equipment, supplies, and products.

The Prosecuting Attorney's Office also recommended that a portion of this measure, H.B. 2772, H.D.1, be retained. Specifically, the Prosecuting Attorney's Office supports the clarification that "products" may include trees, bushes, or any other plants and livestock of another. This clarifying provision makes it absolutely clear that damages to these items are included in the criminal property damage offenses. Your Committee has adopted the suggestions made by the Prosecuting Attorney's Office and has amended this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2772, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2772, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3022 Water, Land, and Agriculture on H.B. No. 2147

The purpose of this measure is to extend the drought mitigating water storage facilities tax credit, which expired on December 31, 2005, to December 31, 2010.

Testimony in support of this measure was submitted by C&H Farms, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, the Maui County Farm Bureau, Meadow Gold Dairies, and the Pineapple Growers Association of Hawaii. Comments were also submitted by the Department of Agriculture, the Department of Land and Natural Resources, the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that farmers and ranchers suffer great losses to their crops and livestock during periods of drought. These losses often take farmers and ranchers years to recover. However, these losses can be minimized by the construction of water storage facilities to alleviate water problems during times of drought.

Your Committee has amended this measure by replacing its contents with S.B. No. 1880, S.D. 1, which promotes the construction of water storage facilities by:

- (1) Increasing the tax credit amount from four percent to twenty percent; and
- (2) Extending the tax credit to December 31, 2008 and making the bill effective on approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2147, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3023 Water, Land, and Agriculture on H.B. No. 2763

The purpose of this measure is to make an appropriation to eradicate and control coqui frog populations in all four counties.

Testimony in support of this measure was submitted by the Department of Agriculture, the University of Hawaii's College of Tropical Agriculture and Human Resources, the County of Hawaii, C&H Farms, the Hawaii Association of Realtors, the Maui Outdoor Circle, and Kihei Akahi. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the coqui frog population has grown exponentially over the past decade. Although all four counties in Hawaii are affected by the coqui frog, Maui County's and Hawaii County's coqui frog populations are particularly bad, still at the infestation level, and are by no means under control. For example, in 2001, there were over 85 documented sightings of the frogs with another 65 occurrences that were undocumented. Currently, there are over 150 established sites on the island of Hawaii infested with coqui frogs, and it is estimated that coqui frog populations on the island of Hawaii alone could reach ten times that reported in the frogs' native forests of Puerto Rico. Thus, your Committee finds that controlling and eradicating coqui frog populations in all four counties is appropriate.

Your Committee has amended this measure by replacing its contents with S.B. No. 2417, S.D. 2, which supplements the contributions by the County of Hawaii, the State, and the federal government to implement the action plan on the island of Hawaii, as well as fund coqui frog control efforts in the County of Maui and extermination efforts in the counties of Kauai and Oahu.

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

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3024 Water, Land, and Agriculture on H.B. No. 2133

The purpose of this measure is to prohibit vehicular access within the Kaena Point Natural Area Reserve, except for the Department of Land and Natural Resources' vehicles used to manage or maintain the reserve.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by Life of the Land.

Your Committee finds that the Kaena Point Natural Area Reserve is one of the last relatively intact coastal dune ecosystem on Oahu. Over the years, off-road driving in this area has caused severe degradation to the natural environment. This measure prevents unnecessary degradation from continuing by prohibiting all vehicular access within the Kaena Point Natural Area Reserve.

Your Committee has amended this measure by:

- (1) Providing an exception for emergency vehicle access to the Natural Area Reserve;
- (2) Allowing the Department of Land and Natural Resources to adopt rules to allow limited vehicular access to the Natural Area Reserve for permitted fishing and camping activities;
- (3) Providing a savings clause; and
- (4) Making a technical, nonsubstantive change for style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3025 (Joint) Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs on H.B. No. 3216

The purpose of this measure is to direct the Auditor to conduct an audit to determine the feasibility of deploying alternative energy resources to meet the energy needs of the island of Kaho`olawe and submit a report of findings and recommendations to the legislature and governor.

Maui Tomorrow submitted testimony in support of this measure.

The revitalization of Kaho`olawe represents a unique opportunity to create a model sustainable reserve based on innovative alternative energy and environmentally conscious technologies. Your Committees find that the use of such technologies is critical to ensuring compliance with the cultural, educational, and historical governing principles envisioned for the island and its water. However, it is outside the Auditor's normal range of duties to audit the feasibility of a program that does not exist.

Upon further consideration, your Committees amended this measure by:

- (1) Deleting all of the original provisions; and
- (2) Conforming it to S.B. No. 3159 S.D. 1 to appropriate funds to install renewable energy systems for a model kahua kauhale or encampment on Kaho`olawe and to enable an ongoing evaluation of renewable resources on the island.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3216, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3216, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees
Ayes, 7. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3026 Energy, Environment, and International Affairs on H.B. No. 2050

The purpose of this measure is to add abuse orders of protection issued against a Hawaii resident as information that must be disclosed by a Hawaii resident as part of the resident's marital history information in dealings with international matchmaking organizations.

Nā Loio Immigrant Rights, the Hawaii State Coalition Against Domestic Violence, and the Domestic Violence Clearinghouse and Legal Hotline submitted testimony in support of this measure.

Immigrant women who are recruited by international matchmaking organization for the purpose of providing dating, matrimonial, or social referral services to residents are particularly vulnerable to becoming victims of domestic violence. They are often isolated, as many leave their familial and social networks behind when they immigrate to the United States. The isolation is further exacerbated if they are unfamiliar with the language or law. Many immigrant abuse victims are unaware of social or legal services available to them.

This measure requires a resident using the services of an international matchmaking organization to disclose the number of domestic abuse orders of protection issued against the resident as part of that resident's marital history information. This added disclosure enables an immigrant recruit to better determine whether to establish a relationship with a resident who may be a potential abuser. This disclosure should reduce the incidence of domestic violence in our community.

Your Committee amended the measure by:

- (1) Adding language to subsection 489N-2(b)(2) to clarify that the information provided shall include information regarding the number of domestic abuse orders of protection issued against the Hawaii resident in this State, as well as the number issued in any other state or country; and
- (2) Making the measure effective upon approval.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3027 Energy, Environment, and International Affairs on H.B. No. 1889

The purpose of this measure is to establish the Office of International Affairs to coordinate and promote peace through improved economic, social, cultural, and scientific relations with other countries.

The Representative from the Fourth District submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism (DBEDT) submitted comments.

DBEDT is responsible for functions that were formerly assigned to the Office of International Relations before it was dissolved in 1994. Since that time, our State's international activities have greatly accelerated under DBEDT. Currently, the Director of DBEDT must divide his attention between the international activities and the other responsibilities of the department. The coalescence of international activities under one office with an executive director will focus attention on international activities, thereby increasing the quality of public-private sector communication and coordination.

Your Committee recognizes Representative Heléne Hale's abiding dedication to the establishment of an Office of International Affairs to coordinate and promote economic, social, cultural, and scientific relations with other countries. The Director of DBEDT testified that the office or a program should be named after Representative Heléne Hale in recognition of her commitment to this endeavor.

Your Committee finds that the Office of International Affairs proposed in this measure will assist DBEDT in carrying out the State's international activities more effectively.

Your Committee amended this measure by:

- (1) Rewording the purpose section to reflect that the office shall be known as the Heléne Hale Office of International Affairs;
- (2) Requiring that the office be known as the Heléne Hale Office of International Affairs;
- (3) Requiring that the international affairs and peace education curriculum be named in recognition of Heléne Hale;
- (4) Requiring that if any of the responsibilities or duties of the Office of International Affairs overlap the responsibilities or duties of another agency or authority under the chapter, the Office of International Affairs shall be responsible for those responsibilities and duties; and
- (5) Making the measure effective upon approval.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1889, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1889, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3028 Energy, Environment, and International Affairs on H.B. No. 1890

The purpose of this measure is to statutorily establish a Hawaii sister-state committee to recommend sister-state or sister-province relationships for the Legislature's action.

The University of Hawaii and the Office of International Education at the University of Hawaii submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism submitted comments.

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

Upon further consideration, your Committee amended this measure by:

- (1) Adding a nominee from a Native Hawaiian cultural organization as a member on the Hawaii Sister State Committee;
- (2) Substituting a nominee from the East-West Center as a member on the Hawaii Sister State Committee in lieu of the Chamber of Commerce of Hawaii; and
- (3) Making the measure effective upon approval.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1890, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1890, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3029 (Joint) Transportation and Government Operations and Judiciary and Hawaiian Affairs on H.B. No. 439

The purpose of this measure is to permit the Office of the Ombudsman to obtain state tax returns and tax return information necessary to perform the official duties of the office of the ombudsman, including the investigation of the administrative acts of agencies.

Your Committees received testimony in support of this measure from the Office of the Ombudsman. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Under current law, the Ombudsman is authorized to investigate administrative acts of agencies. In so doing, the Ombudsman may make inquiries and obtain relevant information as the Ombudsman deems fit. A recent opinion by the state attorney general concluded, however, that a narrow interpretation of state law prohibited the Ombudsman from obtaining state tax returns and return information in connection with the official duties of the Office of the Ombudsman.

Your Committees find that allowing the Office of the Ombudsman to obtain state tax return information about taxpayers who file state tax returns would assist the Ombudsman in fulfilling the Ombudsman's duty to investigate complaints received concerning the administrative acts of agencies.

The intent of your Committees is that this measure applies solely to the investigation of taxpayer inquiry to the Ombudsman about the processing of the taxpayer's tax return by the Department of Taxation. This measure is inapplicable to obtaining personal information on the taxpayer.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 439, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 439, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused 2 (Kanno, Menor).

SCRep. 3030 Transportation and Government Operations on H.B. No. 2075

The purpose of this measure is to ensure the implementation of a safe, continuous, and coordinated system of bikeways by earmarking a percentage of the state highway fund for bikeways.

Your Committee received testimony in support of this measure from the Department of Transportation, Peoples Advocacy for Trails Hawaii, Keiki Injury Prevention Coalition, TEAM Try Fitness!, Hawaii Bicycling League, Na Kama Hele, and twelve individuals. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that that bicycling is growing in importance as a mode of transportation. Bicycling has many benefits, including:

- (1) Improved mobility, especially for those who cannot or choose not to drive;
- (2) Lower road maintenance costs;
- (3) Less traffic congestion;
- (4) Less road widening and fewer parking lots;
- (5) Improved air quality; and
- (6) Improved health and reduced health costs.

With rising gasoline prices, many people are looking for an alternative method of transportation. It is far less expensive to operate a bicycle than to operate an automobile.

Your Committee has amended this measure by:

- (1) Requiring the expenditure of at least two percent of federally allocated moneys to be expended for bikeways from the state highway fund;
- (2) Requiring the Department of Transportation to include the bicycling community in a public involvement process to plan bikeways;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075, H.D. 1, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 2075, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3031 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2404

The purpose of this measure is to allow two or more members of a board, but less than the number of members that would constitute a quorum, to discuss their individual positions relating to official board business at meetings of other boards or at public hearings of the Legislature, and to attend and participate in discussions at presentations, including seminars, conventions, and community meetings, that include matters relating to official business.

Your Committees received testimony in support of this measure from the Office of Information Practices, Honolulu Corporation Counsel, Hawaii State Teachers Association, Oahu Metropolitan Planning Organization, and Ewa Neighborhood Board. Testimony in opposition was received from the League of Women Voters and one individual.

Your Committees find that this measure addresses a common predicament for members of boards and commissions who may be hesitant to attend meetings of other boards and presentations. A prime example is county council members who do not attend neighborhood board meetings for fear of violating the sunshine law.

Your Committees believe that difficulties have arisen from a technical and narrow interpretation and application of existing law which were never anticipated or intended by the enactment of the original statute.

Your Committees have amended this measure by:

- (1) Deleting references to announcement of attending and reporting about a meeting of another board or a presentation; and
- (2) Changing the effective date to July 1, 2050, to further the discussions.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2404, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Kanno, Menor, Nishihara, Slom, Whalen).

SCRep. 3032 (Joint) Transportation and Government Operations and Judiciary and Hawaiian Affairs on H.B. No. 2778

The purpose of this measure is to:

- (1) Require a covered entity to provide timely oral language services to a person with limited or no English proficiency who seeks to access or participate, whether by phone or in person, the services, programs, or activities offered by the covered entity;
- (2) Require a covered entity to provide timely written translations of vital documents into any non-English language spoken by a limited or no-English proficient population that constitutes three percent or five hundred individuals, whichever is less, of the population served or encountered;
- (3) Create a Language Access Advisory Council and a position of language access director within the Department of Labor and Industrial Relations, and make an appropriation accordingly; and
- (4) Place enforcement jurisdiction under the Hawaii Civil Rights Commission.

Your Committees received testimony in support of this measure from the Judiciary; the Hawaii Civil Rights Commission; the Disability and Communication Access Board; the Inter-Agency Council for Immigrant and Refugee Services; Na Loio; the Hawaii Interpreter Action Network; the Kokua Kalihi Valley Comprehensive Family Services; the Japanese American Citizens League of Hawaii; the Domestic Violence Clearinghouse and Legal Hotline; the Catholic Charities Hawaii; and the American Cancer Society. Comments were received from the Department of Health; the Department of Human Resources Development; the Department of Labor and Industrial Relations; and the Attorney General.

This measure would apply to a covered entity, defined as any state government unit, including the executive, legislative, and judicial branches of government, and all state departments, agencies, or programs that furnish information or render services, programs, or activities directly to the public or contracts with other entities, either directly or indirectly, to conduct or provide programs, services, or activities to the public.

According to testimony of the Attorney General, this measure puts the State in compliance with Presidential Executive Order 13166, which requires federal agencies to develop and implement a system of enabling limited English proficiency persons to meaningfully access public services. In turn, federal agencies, through specifically-tailored guidance for state administration of programs relating to federal financial assistance, must ensure that recipient states provide meaningful access to population of persons with limited English

proficiency (LEP). States are required to “[take] reasonable steps to ensure reasonable access to their programs and activities by LEP persons.”

While federal Executive Order No. 13166 affirmed that Title VI of the Civil Rights Act of 1964 required federally funded programs to provide language-accessible services, your Committees find that many departments and state agencies are not in compliance with Presidential Executive Order 13166.

Your Committees find that substantial numbers of people who live, work, and pay taxes in this State are unable to communicate effectively with their government, either because they do not speak or write English, or because their primary language is not English. Likewise, employees of state and local government agencies are often unable to communicate with these individuals who require their services. Consequently, a significant portion of our population is essentially denied the rights and benefits which they would otherwise receive.

Most individuals living in Hawaii read, write, speak, and understand English. However, there are many individuals who are limited in English proficiency. The English language for persons who are limited in English proficiency can pose a barrier to:

- (1) Accessing important benefits and services;
- (2) Understanding and exercising important rights;
- (3) Complying with applicable legal obligations; and
- (4) Understanding information state funded programs and activities.

It is the intent of your Committees to provide effective and timely communication between all levels of government and individuals who are precluded from using public services due to language barriers.

Your Committees have amended this measure on recommendation of the various government stakeholders and Na Loio, who have come to a consensus on language for this measure, as follows:

- (1) Clarifying the purpose section to more accurately reflect the amendments;
- (2) With regard to the definitions;
 - (A) Adding a definition for “State”;
 - (B) Deleting the definition for “language access director”;
 - (C) Deleting the definition for “limited or no-English proficiency” and substituting a definition for “limited English proficiency” and
 - (D) Clarifying the other definitions to comport with the intent of the amended measure;
- (3) Enacting a new section for oral and written language services and deleting separate sections for each;
- (4) Deleting the requirement of making rules for the establishment of language access plan and deleting the required minimum components of such a plan;
- (5) Requiring that each state entity designate a language access coordinator;
- (6) Clarifying the duties of the language access director;
- (7) Clarifying the membership of the language access advisory council to include one representative from the state government; one representative from a covered entity; one bilingual case management worker, or an individual who is or has been employed by a state-funded immigrant service agency or program; one representative of an advocacy organization that provides services to limited English proficient persons; one member from the limited English proficient population who has an interest in the provision of language services; one representative of the University of Hawaii department of language and linguistics who provides professional training in interpretation and translation; one representative of a Hawaiian language advocacy organization; one representative of a professional interpreter’s organization; one representative of a bilingual referral service or program; the executive director of the Hawaii civil rights commission or authorized representative; and the language access director, as ex-officio member;
- (8) Deleting enforcement powers of the Hawaii Civil Rights Commission; and
- (9) Changing the effective date to upon approval, but with the appropriation taking effect on July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2778, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2778, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 3033 Intergovernmental Affairs on H.B. No. 2539

The purpose of this measure is to direct the Judiciary to notify the clerk of the county in which an adult citizen is located within twenty days after the citizen has been convicted of any felony and sentenced to prison, or adjudged legally incompetent, and to remove outdated references in the provision on the loss of voting rights for felons sentenced to imprisonment.

The State Office of Elections, the Elections Office of the City Clerk of the City and County of Honolulu, the County of Hawaii Office of the County Clerk, and the Maui County Office of the County Clerk submitted testimony in support of this measure.

Pursuant to current state law, an individual's voting rights are lost upon incarceration for a felony offense. According to the Elections Office of the City Clerk of the City and County of Honolulu, election offices need at least two or three pieces of identifying information to properly identify a disqualified voter for removal from the voter rolls. The testifiers indicated that the court certificates do not always provide sufficient identifying information. The testifiers all indicated that the phrase "readily ascertainable" should apply only to the citizen's residence address or last known residence address.

Your Committee finds that it is important to standardize the information provided by the Judiciary and the Paroling Authority to county clerks to ensure the legitimacy of the voter rolls.

Upon further consideration, your Committee amended this measure by:

- (1) Incorporating the provisions of S.B. No. 2430, S.D. 2 that:
 - (A) Add a new section to chapter 353 that requires that whenever the paroling authority grants or revokes parole for any citizen of eighteen years of age or older, the paroling authority shall transmit a certificate within twenty days to the clerk of the county in which the citizen resides showing the fact of the granting or revoking of parole, and including certain identifiable information; and
 - (B) Retain the current requirement that the reports to the county clerk by any circuit court, family court, or district court be made by certificate; and
- (2) Including a findings and purpose section;
- (3) Applying the phrase "readily ascertainable" only to the citizen's residence address or last known residence address;
- (4) Making the measure effective upon approval; and
- (5) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2539, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Inouye).

SCRep. 3034 (Joint) Education and Military Affairs and Higher Education on H.B. No. 2182

The purpose of this measure is to provide the Department of Education with the resources for operations and maintenance of facilities, and with flexibility in the construction of new schools.

Your Committees received testimony in support of this measure from the Department of Education, the University of Hawaii System, the Hawaii State Student Council, and four individuals. Comments in opposition to this measure were received from the Department of Budget and Finance.

Your Committees find that the language of Senate Bill No. 2956, which crossed over to the House of Representatives, and which creates a school construction special fund and makes appropriations to it, more adequately represents the Committee's inclination with regard to this subject matter.

Your Committees have amended this measure by replacing its contents with S.B. No. 2956, and by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2182, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2182, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Sakamoto, Tsutsui).

SCRep. 3035 Media, Arts, Science and Technology on H.B. No. 3235

The purpose of this measure is to support the continuation of the Honolulu Symphony program by appropriating funds to the State of Hawaii Endowment Fund, which is a separate fund of the Honolulu Symphony Trust, to be matched dollar-for-dollar with private funds.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts; the Honolulu Symphony; the Musicians' Association of Hawaii, Local No. 677, American Federation of Musicians; the Democratic Party of Hawaii, Oahu County Committee; and ten private individuals.

The State of Hawaii Endowment Fund is a separate fund of the Honolulu Symphony Trust. The income and capital gains from the fund are 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. The Honolulu Symphony is an important cultural, educational, and economic asset that provides world-class music to Hawaii audiences. As with most symphony orchestras in North America, however, annual income from ticket sales and financial support from state, county, and private entities has been insufficient to maintain a balanced budget.

The Honolulu Symphony is at risk of losing many talented musicians and reducing the quality and consistency of its music, which will negatively impact the symphony's programs. Your Committee finds that making an appropriation to fund the State of Hawaii Endowment Fund will provide the essential financial stability to ensure that the orchestra's vital music education and enrichment services will remain available and affordable for the general public and, most importantly, for the young people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3235, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3036 (Joint) Business and Economic Development and Energy, Environment, and International Affairs on H.B. No. 1888

The purpose of this measure is to promote international cooperation and Hawaii's role in the development of renewable energy resources by requiring the Department of Business, Economic Development, and Tourism to:

- (1) Work with the global community to initiate, develop, and exchange research and technology on renewable energy resources;
- (2) Coordinate the State's involvement in national and international efforts to promote, investigate, and develop the use of renewable energy resources; and
- (3) Promote the State as an active participant and leader in renewable energy development and research in the Pacific Basin region.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and a member from the Hawaii State House of Representatives.

Today's global society presents abundant opportunities for information and technology exchange, and research development and dissemination. Many international agencies, universities, and organizations have successfully developed frameworks for international cooperation and information exchange. The International Energy Agency, for example, is a forum consisting of twenty-six countries that share with each other energy information, coordinate energy policies, and cooperate in the development of rational energy programs. Currently, Hawaii is not a participant of any similar types of international exchange agreements and does not have a framework for an international exchange of information, research, and technology on renewable energy resources. Your Committees find that it is in the State's best interests to actively participate in these types of global networks and establish its own networks.

Your Committees have amended this measure by:

- (1) Changing the effective date of this measure from July 1, 2020 to July 1, 2006; and
- (2) Making technical, nonsubstantive changes to correctly reflect the style and language of the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1888, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1888, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Hanabusa, Menor).

SCRep. 3037 Business and Economic Development on H.B. No. 2885

The purpose of this measure is to require businesses and individuals that sell adult entertainment products to:

- (1) Display these products separately from other products sold on the premises; and
- (2) Obscure these products from any direct line of vision from off the premises.

Your Committee received testimony in support of this measure from Hawaii Reserves, Inc. and ten concerned private citizens.

Many individuals have been involuntarily exposed to products of a prurient nature while shopping. This type of exposure is magnified when adult entertainment products are visible to minors. Your Committee finds that requiring businesses and individuals that sell adult entertainment products to display these products separately and obscure them from being viewed by an individual located off their premises will protect the general public, especially minors, from being involuntarily exposed to these types of products.

Your Committee has heard concerns regarding the definition for “adult entertainment product” and believes that the Committee on Judiciary and Hawaiian Affairs should continue the dialogue, where this matter can be more appropriately addressed.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2885, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 3038 Business and Economic Development on H.B. No. 3261

The purpose of this measure is to establish an Ingenuity Corporation Charter that will be responsible for:

- (1) Holding and using intellectual and other property;
- (2) Enabling inventors, labor unions, the American Ingenuity Alliance, and public educators to create a business entity in Hawaii that owns and licenses intellectual and other property;
- (3) Creating and maintaining businesses that provide innovation education, employment opportunities, and economic development in Hawaii;
- (4) Engaging in collective bargaining on behalf of the inventors and labor unions;
- (5) Promoting the teaching of innovation and its application in Hawaii’s public schools; and
- (6) Attracting inventors to Hawaii and building Hawaii as an inventor-friendly state.

Your Committee heard testimony in support of this measure from the Hawaii Government Employees Association (HGEA), the Hawaii State Teachers Association, the American Federation of Television and Radio Artists, KMH LLP, the American Ingenuity Alliance, the Professional Inventors Alliance, and one individual. The Office of Information Practices submitted comments.

Intellectual property is one of the only remaining sources of competitive advantage in the global economy. Whether working independently or employed by corporations, the vast majority of inventors do not have the collective representation, institutional strength, or financial resources necessary to exercise and enforce their property rights. Hawaii has the opportunity to become a center for protecting the fruits of American ingenuity so inventors can fully exercise their intellectual property rights. In return, the exercise of these rights can be used to forge an anchor for good jobs in a manner that enhances labor and environmental practices nationally and internationally.

Your Committee finds that by establishing Hawaii as a domicile that provides enhanced protection of intellectual property rights, new capital and investments will be attracted to Hawaii, which will allow for a more diversified and sustainable economy. Your Committee further finds that establishing an Ingenuity Corporation will also help to support public education in Hawaii by generating needed additional funding and influencing future generations of inventors.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2020 to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments to correctly reflect the style of and language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3261, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3261, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 3039 (Joint) Media, Arts, Science and Technology and Business and Economic Development on H.B. No. 3060

The purpose of this measure is to expand the existing Hawaii Small Business Innovation Research (SBIR) Grant Program under chapter 206M, Hawaii Revised Statutes, to include the Hawaii Small Business Technology Transfer (STTR) Grant Program and the Phase 0 Technical Assistance Grant Program for small start-up technology companies who are successful recipients of the federal-funded SBIR and STTR Grant Programs.

Your Committees received testimony in support of this measure from the High Technology Development Corporation (HTDC) and the Hawaii Science and Technology Council.

Since its inception in 1989, the Hawaii SBIR Grant Program has assisted in increasing the number of research and development projects and small start-up technology companies in the State. A state investment of \$3,700,000 has returned \$56,500,000 in federal research dollars to the State and \$57,500,000 in investments from and commercial contracts with public and private sectors. The STTR Grant Program requires that a minimum of forty percent of each project be carried out by a small business and that a minimum of thirty percent of each project be performed by a research institution.

Your Committees find that expanding chapter 206M, Hawaii Revised Statutes to include the STTR Grant Program and the Phase 0 Technical Assistance Grant Program will provide a critical opportunity for HTDC's new incubation partnership with the University of Hawaii John A. Burns School of Medicine to operate a medical technology business incubator in Phase 1 of the new school in Kakaako. Your Committees further find that the success of the SBIR Grant Program is a positive indication that the STTR Grant Program will also be successful at commercializing technologies being developed by scientists and researchers.

Your Committees have amended this measure by adopting the request made by the HTDC and adding language from H.B. No. 3058 H.D.1 that will allow the High Technology Innovation Corporation (HTIC) to establish bank accounts outside of the state treasury including bank accounts in foreign countries. The HTIC is a nonprofit state agency that needs to establish interest-bearing bank accounts with private financial institutions outside of the State and in foreign countries for the management and operation of its programs. An amendment to 205M-53 and 205M-54, Hawaii Revised Statutes, to include a provision for bank accounts and exempting HTDC from the state laws regarding the management of state funds, the deposit of public funds, and state audit and accounting will provide the HTIC the flexibility to support statewide technology-based economic development projects and programs. Your Committees have also amended this measure by changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3060, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3060, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Menor, Hogue).

SCRep. 3040 (Joint) Media, Arts, Science and Technology and Business and Economic Development on H.B. No. 3063

The purpose of this measure is to appropriate funds to the Economic Development Alliance of Hawaii for the expansion of technology training opportunities.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, the Economic Development Alliance of Hawaii, the Hawaii Island Economic Development Board, the Hawaii Crop Improvement Association, the Hawaii Science and Technology Council, and Enterprise Honolulu.

The Economic Development Alliance of Hawaii (EDAH) is composed of four private-sector economic development boards whose members are all active members and officers of the county-level Workforce Investment Boards and the statewide Workforce Development Council. For ten years, the economic development boards have been involved in implementing several project-based learning efforts on the neighbor islands such as Project EAST, Aloha 'Ike, and Women in Technology, to promote enthusiasm for science, technical training, and higher education. Recently, the students from Project EAST on Maui, Kauai, and the island of Hawaii won several national awards in science and technology at the EAST National Conference. EDAH wants to develop comparable programs on Oahu and continue to support partnership workforce development and outreach that will address state business, education, and labor goals. Partnership efforts will complement and expand the existing programs on the neighbor islands, and will focus on creating excitement for new business development and careers in science and technology.

Your Committees find that appropriating funds as a grant to the Economic Development Alliance of Hawaii will provide the necessary financial assistance to develop partnership initiatives that will improve and expand the technology workforce in Hawaii. The sum appropriated shall not be appropriated unless matching funds are provided and the resulting projects are consistent with the state plan for workforce development.

Your Committees have amended this measure by replacing the blank appropriation amount with the amount of \$500,000 to fund the development of partnership initiatives.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3063, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3063, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Menor, Hogue).

SCRep. 3041 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on H.B. No. 1982

The purpose of this measure is to permanently establish the humuhumunukunua'ā (Rhinecanthus rectangulus) as the official fish of the State.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and two concerned school children. Your Committees also received one hundred twenty-eight signatures in support from fourth graders attending Lanakila Elementary School.

The humuhumunukunua'ā (Rhinecanthus rectangulus), also commonly known as the rectangular triggerfish, was designated as the official state fish in 1985; however, it is a little known fact that the enabling legislation was automatically repealed five years later in 1990. The general public still mistakenly assumes that the humuhumunukunua'ā is the state fish. Your Committees find that the humuhumunukunua'ā should be permanently designated as the official state fish.

Your Committees have amended this measure to make a technical change by properly capitalizing Rhinecanthus rectangulus, which is the proper scientific nomenclature format.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1982, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1982, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Hee, Kanno, Hogue, Whalen).

SCRep. 3042 Judiciary and Hawaiian Affairs on H.B. No. 1984

The purpose of this measure is to require a review committee of the judicial council to investigate the current status of internet access to criminal conviction data.

Testimony in support of this measure was submitted by the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and an individual. The Attorney General submitted testimony in opposition to the measure.

Your Committee finds that a review committee is necessary to examine the methods of collecting, and the sources of, conviction data that is made available on the Internet. A review committee is also necessary to examine whether further limitations on internet access to conviction data is necessary to ensure its proper use for promoting public safety.

Your Committee has amended this measure to:

- (1) Delete the reference to the privacy interests of offenders in accordance with testimony from the Department of the Attorney General that privacy does not extend to criminal conviction data; and
- (2) Clarify that the investigation of the review committee shall not include a review of the sex offender registry pursuant to chapter 846E, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1984, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1984, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3043 Judiciary and Hawaiian Affairs on H.B. No. 2299

The purpose of this measure is to require substantial compliance with the requirements of chapter 803 when a police officer enters a home to arrest a person suspected of a crime.

Your Committee received testimony in support of this measure from the Attorney General, the Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. The Office of the Public Defender and the Japanese American Citizens League of Hawaii submitted testimony in opposition to the measure.

Your Committee finds that the Hawaii constitution affords greater protection for privacy than the federal constitution. Your Committee further finds that the federal case law acknowledges the long-standing common law principle of "knock and announce." For example, the United States Supreme Court decision in *Wilson v. Arkansas*, 541 U.S. 927 (1995), explained that the common law "knock and announce" principle was woven into the fabric of early American law. The court further stated that "Given the long-standing endorsement of the practice of announcement, we have little doubt that the Framers of the Fourth Amendment thought that the

method of an officer's entry into a dwelling was among the factors to be considered in assessing the reasonableness of a search or seizure. Contrary to the decision below, we hold that in some circumstances, an officer's unannounced entry into a home might be unreasonable under the Fourth Amendment." Although the court went on to state that "reasonableness should not be read to mandate a rigid rule of announcement," the stronger protection of privacy under the Hawaii constitution should necessitate specific requirements in accordance with the amendments your Committee has made to this measure.

Your Committee also notes that the Ninth Circuit Court of Appeals decision in US v. Chavez-Miranda, 306 F.3d 973 (2002), is the basis for including an amendment requiring officers to wait a reasonable amount of time and what factors should be considered in determining reasonableness. However, this measure is not intended to prohibit knockless warrants in cases where there are safety issues and probable cause to enter the home.

Your Committee amended this measure to:

- (1) Require the law enforcement officer or person making the arrest to knock on the door and demand entrance by stating in a loud voice "Police. We have a warrant. Open the door." or, in the case in which arrest without a warrant is lawful, the person shall state in a loud voice "Police. Open the door.";
- (2) Add a provision that the officer or person shall wait a reasonable amount of time before inferring constructive refusal to enter;
- (3) Explain that in determining a reasonable amount of time, the following factors shall be considered:
 - (a) The size and layout of the residence;
 - (b) The time of day;
 - (c) The nature of the suspected offense;
 - (d) The evidence demonstrating guilt;
 - (e) The officer's other observations that would support a forced entry; and
 - (f) Any exigent circumstances;
- (4) Delete the provision allowing a law enforcement officer or person making an arrest to substantially comply with the requirements of the statutes; and
- (5) Change the effective date from July 1, 2069 to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2299, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2299, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3044 Judiciary and Hawaiian Affairs on H.B. No. 2896

The purpose of this measure is to clarify that liability for negligent infliction of emotional distress or disturbance will not arise from damage to real property or inanimate material objects.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society and five individuals.

Your Committee finds that under the current law, pets are considered property and that no remedy exists to compensate pet owners emotional distress suffered as a result of any injury or death of their pet due to the negligence of others. Similarly, the current law provides no deterrent for negligent behavior towards people's pets. Given that, in Hawaii, more than fifty-six percent of households have pets, this is a significant issue. This measure will clarify that the exclusion of property damage as the basis for an emotional distress claim only applies to real property and inanimate material objects, thus permitting this action for harm to pets.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2896, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3045 Judiciary and Hawaiian Affairs on H.B. No. 3253

The purpose of this measure is to amend the rules of evidence on erroneous rulings so that a party does not need to renew an objection or offer proof once a court makes a definitive ruling on the record admitting or excluding evidence.

Your Committee received testimony in support of the measure from the Judiciary and the Office of the Public Defender.

Your Committee finds that this measure codifies the Hawaii Supreme Court's holding in *Ditto v. McCurdy*, 98 Hawaii 123, 130 n.9, 44 P.3d 274, 281 n.9 (2002) and is identical to rule 103 of the Federal Rules of Evidence.

Your Committee amended this measure to substitute its contents with those of S.B. 2582, which has a savings clause and minor technical differences from this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3253, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3046 Judiciary and Hawaiian Affairs on H.B. No. 2277

The purpose of this measure is to provide for the authorization and payment of claims against the State for judgments, settlements, and other miscellaneous payments.

Your Committee received testimony in support of this measure from the Attorney General.

Your Committee finds that the measure in its present form contains nineteen claims that total \$4,469,828.63. The Attorney General testified that since the hearing of this measure before the House Committee on Finance, nine additional claims have been resolved.

Your Committee has amended this measure in accordance with the Attorney General's testimony to:

- (1) Incorporate nine new claims resolved for an additional \$762,011.11;
- (2) Change the estimated costs and interest amount for *Kamalu v. Paren, et al.* from \$1,273,945.21 to \$1,702,327.87;
- (3) Add a new Section 3 to Part II of the measure inserting a claim against the Department of Land and Natural Resources for \$25,000 to be expended from the special land and development fund; and
- (4) Add an additional \$2,300,000 for settlement of a class action lawsuit against the Hawaii Community Development Corporation of Hawaii that the Attorney General has testified is in the process of settling and requested that this Committee review the proposed language of prior to passage of this measure to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3047 Judiciary and Hawaiian Affairs on H.B. No. 2595

The purpose of this measure is to prohibit the Department of Public Safety from canceling pre-approved and pre-scheduled family visits with inmates except for an emergency.

Your Committee received testimony in support of the measure from the Community Alliance on Prisons, the Hawaii Youth Services Network, A Woman's Voice International, and two individuals. The Department of Public Safety submitted testimony in opposition to this measure.

Your Committee finds that the type of cancellation of pre-approved and pre-scheduled visits that causes the most concern are those in which family members have incurred substantial costs, such as travel from the neighbor island or mainland, to visit an inmate.

Your Committee has amended this measure to:

- (1) Specify that pre-approved and pre-scheduled visits for which family members have incurred substantial costs shall not be canceled due to staff absenteeism or any non-emergency situation;
- (2) Provide that in the event that there are insufficient numbers of security staff available to maintain the safety of the facilities, these visits shall be conducted on a non-contact basis;
- (3) Insert a blank appropriation amount to allow the Department of Public Safety to retrofit facilities with non-contact visitation areas; and
- (4) Change the effective date from July 1, 2020 to July 1, 2006.

Your Committee notes that the blank appropriation is for supplies and materials, and the Department of Public Safety has specified that it shall utilize Corrections Industries in the construction of these non-contact visitation areas.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2595, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3048 (Joint) Education and Military Affairs and Labor on H.B. No. 3098

The purpose of this measure is to clarify certain rights and benefits of new century charter school employees.

Specifically, this measure:

- (1) Clarifies that a teacher from a new century charter school who transfers to a public school shall not be considered a new teacher of the Department of Education; and
- (2) Establishes that civil service employees of a new century conversion charter school shall retain their civil service status in the Department of Education's civil service system.

Your Committees received testimony in support of this measure from the Office of the Governor, the Department of Human Resources Development (DHRD), and the Hawaii Business Roundtable. Comments in support of the intent of this measure were received from the Charter School Administrative Office and the Hawaii Government Employees Association (HGEA). Comments were received from the Board of Education, the Hawaii State Teachers Association, and the Ho'okako'o Corporation.

Your Committees find that per the testimony of the HGEA and DHRD, exempt civil service employees should be entitled to the rights and benefits of other exempt civil service employees.

Your Committees have amended this measure by incorporating the above finding, by making the effective date July 1, 2006, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3098, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3098, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the President of the Senate on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3049 (Joint) Education and Military Affairs and Labor on H.B. No. 1865

The purpose of this measure is to strengthen the operations of the Department of Education by creating various positions.

Your Committees received testimony in support of this measure from the Chamber of Commerce of Hawaii and the Hawaii Business Roundtable. Comments in support of parts of this measure were received from the Department of Education. Testimony supporting the intent of the measure were received from the Board of Education and the Hawaii Government Employees Association. Comments were received from the Office of the Governor.

Your Committees find that the testimony received on this measure was largely in support of the creation of a chief financial officer position, but questioned the creation of all other leadership positions.

Your Committees further find that per the Department of Education testimony requesting an amendment to the range of salaries offered for deputy superintendents, assistant superintendents, and complex area superintendents, the Legislature should reconsider the adequacy of salary ranges, and that the Committee on Ways and Means may consider adjusting section 302A-621, Hawaii Revised Statutes, to accommodate an appropriate chief financial officer salary.

Your Committees have amended this measure by omitting the creation of all other positions except for a chief financial officer position and an attendant secretary position, by making the effective date upon approval, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1865, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1865, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the President of the Senate on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3050 (Joint) Education and Military Affairs and Labor on H.B. No. 1862

The purpose of this measure is to allow the Department of Education to employ retired licensed teachers to teach full-time in teacher shortage areas and serve as mentors for new classroom teachers.

Your Committees received testimony in support of this measure from the Office of the Governor. Comments in support of the intent of this measure were received from the Department of Education and the Hawaii Government Employees Association. Comments were received from the State of Hawaii Employees' Retirement System and the Hawaii State Teachers Association.

Your Committees find that several testifying agencies prefer the provisions of Senate Bill No. 2705 with regard to the employer contribution of 13.75 percent of a retiree's salary to the Employees' Retirement System, and the inclusion of administrators.

Your Committees have amended this measure by editing and replacing its provisions with those of Senate Bill No. 2705.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1862, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1862, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the President of the Senate on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3051 (Joint) Media, Arts, Science and Technology, Energy, Environment, and International Affairs and Business and Economic Development on H.B. No. 2863

The purpose of this measure is to establish the Natural Energy Laboratory of Hawaii Authority Innovation Corporation to assist the Natural Energy Laboratory of Hawaii Authority in its efforts to provide resources and facilities for energy and ocean-related research, education, and commercial activities.

Your Committees received testimony in support of this measure from the Natural Energy Laboratory of Hawaii Authority and the Hawaii Government Employees Association. The Department of the Attorney General submitted comments.

The purpose of the Natural Energy Laboratory of Hawaii Authority (NELHA) is to facilitate research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii, and to engage in retail, commercial, or tourism activities that will financially support that research, development, and commercialization. Your Committees find that the purposes of NELHA will be more efficiently served if a not-for-profit corporation is attached to the agency.

The NELHA Innovation Corporation will be an entity responsible for supporting NELHA by furnishing the means, methods, and agencies by which management, programming, training, investigation, research, and analysis may be conducted and its resulting benefits available to the public. The NELHA Innovation Corporation will also be responsible for managing its assets, resources, and funding, planning and implementing its programs, and promoting and marketing Hawaii as a location for research and commercial natural energy activity.

Your Committees have amended this measure by adopting three suggestions made by the Department of the Attorney General: First, clarifying that the NELHA Innovation Corporation is a public not-for-profit organization and not a private not-for-profit organization. The Department of the Attorney General indicated to your Committees that the term "private" created an ambiguity in assessing whether sovereign immunity and other public attributes would apply to the corporation, and whether the corporation's actions would be considered state actions subject to various constitutional provisions. Therefore, the term "private" was deleted and replaced with "public" because the provisions of this measure indicate that the corporation is a public organization.

Second, your Committees have attached the NELHA Innovation Corporation to the Department of Business, Economic Development, and Tourism instead of NELHA. The Department of the Attorney General advised that attaching the NELHA Innovation Corporation to NELHA is contrary to Article V, section 6 of the Hawaii State Constitution, which requires that all executive offices be allocated among not more than twenty principal departments. The Department of Business, Economic Development, and Tourism is a principal department, but NELHA is not; thus, this measure was amended by replacing the corporation's attachment to NELHA with Department of Business, Economic Development, and Tourism.

Finally, your Committees have added additional language based upon section 307-9, Hawaii Revised Statutes, to allow the corporation to hold money in its own private accounts rather than through the Department of Budget and Finance. Your Committees amended this measure by adding additional language under the section that exempts the corporation from certain state laws.

Your Committees have heard concerns regarding the appropriateness of establishing the corporation under section 501(c)(3) of the Internal Revenue Code, which will create a tax-exempt organization. Your Committees find that the issue merits further consideration and accordingly have amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussions. Furthermore, technical, nonsubstantive amendments were made to correctly reflect the language, style, and format in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2863, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2863, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Hanabusa, Ihara, Menor, Hogue).

SCRep. 3052 (Joint) Education and Military Affairs and Health on H.B. No. 1466

The purpose of this measure is to fund geographical areas identified by school complexes statewide through existing or emerging community coalitions to coordinate local anti-drug community efforts, fill service gaps, and implement best practice prevention programs.

Your Committees received testimony in support of this measure from Breakthroughs for Youth, the Coalition for a Drug-Free Hawaii, the Community Alliance on Prisons, Community Works in 96744, the Hawaii Substance Abuse Coalition, Malama O Kamalii Makamae, the Marimed Foundation, the Mililani Town Association Anti-Drug Committee, and four individuals. Comments concurring or appreciating the intent of the measure were received from the Department of Health and the Department of Education Honolulu and Central Complex Area Superintendents.

Your Committees find that the intent of the measure was for new and emerging community coalitions to receive appropriations, and that the Department of Health Alcohol and Drug Abuse Division should report to the Legislature regarding the impact of past appropriations, and should also receive additional funding to be able to coordinate the various community efforts effectively.

Your Committees further find that the best way to allocate resources would be for the Department of Health to implement a grant program to award community coalitions not more than \$150,000 each to engage in community mobilization programs and best practices, specifically in areas that lack existing substance abuse prevention resources.

Your Committees have amended this measure by:

- (1) Adding provisions to reflect the above findings;
- (2) Extending adolescent school-based substance abuse treatment programs to middle and intermediate schools that have no existing school-based programs;
- (3) Making the effective date July 1, 2006; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1466, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1466, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Hooser, Tsutsui).

SCRep. 3053 Education and Military Affairs on H.B. No. 1891

The purpose of this measure is to address the Department of Education repair and maintenance backlog by increasing the amount of money deposited into the State Educational Facilities Improvement special fund (SEFI Fund).

Your Committee received testimony in support of this measure from the Department of Education (DOE). Testimony in opposition to this measure were received from the Department of Budget and Finance and the Department of Taxation. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds the DOE has an existing repair and maintenance backlog of \$525,000,000 which amount increases by \$75,000,000 each year due to normal wear and tear. Your Committee further finds that moneys deposited into the SEFI Fund become immediately available to the DOE, whereas moneys appropriated through the regular CIP process may or may not be released by the Executive Branch. In addition, it is appropriate for the DOE to be accountable for the increase in funding. As such, your Committee finds that DOE expenditures should be subject to performance-based reporting to the Legislature, including an initial proposed budget, and then subsequent assessments made at the beginning and at the end of each year.

Your Committee has amended this measure by adding information in the purpose section regarding the extent of the DOE repair and maintenance backlog, and by making the effective date July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1891, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3054 Judiciary and Hawaiian Affairs on H.B. No. 2051

The purpose of this measure is to establish offenses relating to human trafficking and provide related definitions.

This measure also provides victims of trafficking defenses to certain offenses that they may have been forced to commit. This measure also requires the Attorney General to report to the Legislature annually regarding human trafficking. Last, this measure establishes a task force to compile and review information from other states regarding support for victims of human trafficking and requires that the task force recommend changes to Hawaii law and programs.

Your Committee received testimony in support of this measure from the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the City and County of Honolulu, Best Medical-Legal Nurse Consultants, Your Group, Na Loio Immigrant Rights and Public Interest Legal Center, the Hawaii Women's Coalition, the Hawaii Family Forum, the Hawaii Catholic Conference, the Hawaii State Commission on the Status of Women, Safe Zone Foundation, Girl Fest Hawaii, Planned Parenthood of Hawaii, the Sex Abuse Treatment Center, Soroptimist International of Waikiki, Inc., and four individuals. The Attorney General and the Department of Health submitted comments on this measure.

Your Committee finds that this measure attempts to integrate anti-trafficking provisions, modeled after federal statutes, into the existing Hawaii Penal Code. As this measure moves on to the Committee on Ways and Means, the Committee on Judiciary and Hawaiian Affairs would like to recognize the concerns raised regarding this measure; however, the Committee on Judiciary and Hawaiian Affairs is most concerned that the task force established by this measure survive. The Committee on Judiciary and Hawaiian Affairs' priority is to promote a task force that will return to the legislature with strong, uniform proposed legislation to address the problem of human trafficking.

Your Committee has amended this measure in accordance with testimony submitted by the Attorney General to:

- (1) Require the Attorney General to work with the existing Hawaii Anti-Trafficking Task Force to expand its membership and its role;
- (2) Require the anti-trafficking task force include the Attorney General or the Attorney General's designees instead of the Attorney General, a designated deputy, and a program specialist;
- (3) Modify section 7(c) to allow the task force to seek any federal grant money that may become available and that may help the task force accomplish its activities; and
- (4) Make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3055 (Joint) Health and Higher Education on S.C.R. No. 16

The purpose of this measure is to address the nursing shortage in Hawaii and find a long-term solution for adequate nursing resources by requesting the Hawaii State Center for Nursing at the University of Hawaii to investigate and institute a five-year strategic plan.

Your Committees received testimony in support of this measure from the Hawaii State Center for Nursing, the University of Hawaii School of Nursing, the Hawaii Government Employees Association, the Hawaii Nurses' Association, Hawaii Pacific Health, and Kaiser Permanente.

Your Committees find that a serious nursing shortage exists in Hawaii and will become critical in the near future as the majority of nurses will be nearing retirement age. The mission of the Hawaii State Center for Nursing is to ensure that Hawaii has the nursing resources necessary to meet the health care needs of its people. Therefore, the Hawaii State Center for Nursing is the appropriate agency to conduct an investigation into immediate and long-term solutions to the nursing shortage.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 16 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Whalen).

SCRep. 3056 (Joint) Health and Higher Education on S.R. No. 6

The purpose of this measure is to address the nursing shortage in Hawaii and find a long-term solution for adequate nursing resources by requesting the Hawaii State Center for Nursing at the University of Hawaii to investigate and institute a five-year strategic plan.

Your Committees received testimony in support of this measure from the Hawaii State Center for Nursing, the University of Hawaii School of Nursing, the Hawaii Government Employees Association, the Hawaii Nurses' Association, Hawaii Pacific Health, and Kaiser Permanente.

Your Committees find that a serious nursing shortage exists in Hawaii and will become critical in the near future as the majority of nurses will be nearing retirement age. The mission of the Hawaii State Center for Nursing is to ensure that Hawaii has the nursing resources necessary to meet the health care needs of its people. Therefore, the Hawaii State Center for Nursing is the appropriate agency to conduct an investigation into immediate and long-term solutions to the nursing shortage.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 6 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Whalen).

SCRep. 3057 (Joint) Education and Military Affairs and Water, Land, and Agriculture on H.B. No. 1843

The purpose of this measure is to establish an agriculture education program in the department of education to foster young people's interest in careers in the agricultural industry.

Your Committees received testimony in support of this measure from the Department of Agriculture, the Department of Labor and Industrial Relations Workforce Development Council, the Hawaii State Teachers Association, the Big Island Farm Bureau, the Economic Development Alliance of Hawaii, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, C&H Farms, and three individuals. Testimony in support of the intent of this measure was received from the Department of Education.

Your Committees find that establishing a comprehensive agriculture program in the public schools is a worthwhile endeavor. However, your Committees wish to note that it remains necessary to clarify which school funds should be part of the weighted student formula, and which should not, and that it is not the intent of the Legislature to continue to carve out appropriations specifically for targeted programs.

Your Committees have amended this measure by making its effective date July 1, 2006, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1843, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1843, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (English, Tsutsui, Hemmings).

SCRep. 3058 (Joint) Transportation and Government Operations and Education and Military Affairs on H.B. No. 1904

The purpose of this measure is to require the Department of Education to conduct a traffic study and develop a plan to decrease hazardous traffic conditions at all public schools throughout the State, and to make an appropriation therefor.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of Education, Peoples Advocacy for Trails Hawai'i, and Mililani Waena Elementary School.

Your Committees find that there are many hazardous traffic conditions that exist at Hawaii's public schools, particularly during the morning when students are dropped off at school and in the afternoon when students are picked up from school. These safety hazards are compounded when egress and ingress at the schools is slow and frustrating for parents, as well as the faculty and students who attempt to find parking at the same time.

Your Committees believe that a traffic flow study of hazardous traffic conditions at all public schools in the State is necessary. The study would include a review of hazardous conditions relating to parking, drop off areas, pick up areas, ingress and egress, and pedestrian safety at schools.

Your Committees were informed in testimony on this measure that the Department of Transportation has an administrative program in place denominated the Hawaii SR2S program, which is part of the federal Safe Routes To School Program under federal-aid to highways law. The SR2S program would cover the mandates of this measure. Your Committees believe SR2S program should be codified in the interests of securing federal funding and conforming to federal mandates.

Your Committees have amended this measure by:

- (1) Enacting a new statutory section in chapter 264, Hawaii Revised Statutes, relating to highways, to establish a safe routes to school program under the Department of Transportation to mirror federal regulations in the interests of consistency and conformity, but are not limited to federal mandates;
- (2) Enacting a new statutory section in chapter 302A, relating to education, as a conforming amendment to clarify that the Department of Education would assist the Department of Transportation in the safe routes to school program;

- (3) Clarifying the purpose section to reflect the statutory enactment; and
- (4) Changing the expending agency to the Department of Transportation in order to conform to federal funding streams.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1904, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1904, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Tsutsui).

SCRep. 3059 (Joint) Transportation and Government Operations and Education and Military Affairs on H.B. No. 2183

The purpose of this measure is to authorize the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters.

Your Committees received testimony in support of this measure from the State Civil Defense and the Department of Education.

Your Committees find that the supply of emergency shelters is woefully and dangerously inadequate. Emergency shelters can make the difference between life or death in a disaster, as was demonstrated in New Orleans with Hurricane Katrina. This measure is an outgrowth of that disaster-turned-catastrophe, which could have been ameliorated with better planning for emergency shelters.

The State Civil Defense estimates that the cost would be \$35,000,000 to retrofit public schools, but the agency is asking for an initial appropriation of \$4,000,000.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2183, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused 4 (Hee, Inouye, Kanno, Tsutsui).

SCRep. 3060 (Joint) Human Services and Health on H.B. No. 30

The purpose of this measure is to authorize the Director of Human Services to use the federal supply schedule as a benchmark in negotiating and purchasing brand name prescription drugs for the State's prescription drug programs.

Your Committees received testimony in support of the measure from the Department of Human Services, the Hawaii Disability Rights Center, the Hepatitis Prevention, Education, Treatment & Support Network of Hawaii, and two individuals. The Hawaii Association of Health Plans submitted testimony in opposition. Your Committees received comments on the measure from HMSA.

Your Committees find that providing timely medical care, including appropriate medications, to individuals who suffer from Hepatitis C, human immunodeficiency virus, acquired immune deficiency syndrome, or patients who require immunosuppressives as a result of organ transplants, is necessary to reduce the human and economic costs associated with untreated medical conditions. Your Committees further find that this measure will provide equal access by Medicaid patients to the limited number of medications available to treat these conditions, regardless of whether they are enrolled in the fee for service or QUEST program.

Accordingly, your Committees have amended this measure by replacing its contents with the contents of S.B. No. 2325, which deletes the QUEST exemption from the preauthorization exemption for these conditions.

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. 30, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 30, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Hooser, Whalen).

SCRep. 3061 (Joint) Human Services and Health on H.B. No. 1821

The purpose of this measure is to more adequately compensate care home operators by establishing a minimum level of care payment for types I and II adult residential care homes and by clarifying that domiciliary care includes care provided in developmental disabilities domiciliary homes, developmental disabilities adult foster homes, and developmental disabilities apartment complexes.

Your Committees received testimony in support of the measure from the Disability and Communication Access Board, the Adult Foster Home Association of Hawaii, the ARC in Hawaii, the Alliance of Residential Care Administrators, the Hawaii Coalition of Care Home Administrators, the Hawaii Disability Rights Center, the United Group of Care Home Operators, and approximately two hundred and fifty-five individuals. The Department of Human Services and the State Council on Developmental Disabilities support

the intent of this measure, but prefer the provisions of Senate Bill No. 3247, S.D. 2. The Department of Health submitted testimony in opposition to this measure.

Your Committees find that it is important for individuals with developmental disabilities to have adequate access to residential housing. Domiciliary homes and apartment complexes offer assisted living services that enable these individuals to prosper in their communities. However, a lack of funding has forced many of these homes and complexes to close.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that domiciliary care includes care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and certified developmental disabilities adult foster homes;
- (2) Establishing a minimum level of care payment for types I and II adult residential care homes;
- (3) Directing the Department of Human Services to authorize a one-time payment on July 1, 2006, and thereafter as the Department determines a need, for resident clients receiving supplemental security income in adult residential care home types I and II;
- (4) Making an appropriation for continued operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes; and
- (5) By making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 1821, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1821, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Hooser, Whalen).

SCRep. 3062 Human Services on H.B. No. 1995

The purpose of this measure is to protect children by expanding the crimes of endangering the welfare of a minor in the first and second degrees to include situations in which an individual causes or permits a minor to endure unjustifiable physical pain or mental suffering, to be injured, or to be placed in a dangerous situation.

Your Committee finds this measure will protect children from dangers associated with being exposed to the illegal use of controlled substances.

Your Committee received testimony in support of the measure from the Department of Public Safety. The Department of the Prosecuting Attorney, City and County of Honolulu submitted comments regarding this measure.

In response to the Department of Public Safety's concern that this measure was overbroad, your Committee has adopted the Department's recommendations regarding children being exposed to the use of controlled substances. Specifically, your Committee amended this measure by replacing its provisions regarding the offenses of endangering the welfare a child in the first and second degrees with language prohibiting the use of a controlled substance in the presence of, or as witnessed by, a minor under a person's care or custody or knowingly exposing a minor under a person's care or custody to individuals unlawfully using a controlled substance.

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. 1995, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1995, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3063 Human Services on H.B. No. 2286

The purpose of this measure is to include programs approved by Title IV-E of the Social Security Act among those for which the Child Support Enforcement Agency may disclose information it maintains to persons who are directly involved with the implementation and administration of approved programs.

Your Committee received testimony in support of the measure from the Attorney General and the Department of Human Services.

Your Committee finds that this measure allows the Child Support Enforcement Agency to disclose information to the Department of Human Services that is consistent with information being provided for other types of child welfare programs.

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. 2286, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3064 Human Services on H.B. No. 2367

The purpose of this measure is to authorize the Office of Youth Services to obtain criminal history record information on the employees, prospective employees, and volunteers of its contracted providers and subcontractors for all positions that require individuals to work in close proximity with youth when providing services on its behalf.

Your Committee received testimony in support of the measure from the Department of Human Resources Development, the Office of Youth Services, Hawaii Youth Services Network, and the Kokua Council.

Your Committee finds that services to youth should be provided in a safe, healthy environment, and that every effort should be made to ensure that the people providing services are suitable to working in close proximity with at-risk youth. This measure will enable the Office of Youth Services to obtain criminal history record information about the employees, prospective employees, and volunteers of the various entities that provide services for youth on behalf of the Office of Youth Services.

Your Committee has amended this measure by revising the definition of “volunteer” to comport with its use throughout the measure and by changing the effective date to upon its approval.

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. 2367, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2367, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3065 (Joint) Human Services and Health on H.B. No. 3116

The purpose of this measure is to ensure health care coverage for all of Hawaii’s children by creating the Hawaii Children’s Health Care Program.

Your Committees find that there is a gap group of uninsured children in the State who are ineligible for any state or federal health care coverage. This measure would provide them with health insurance coverage under certain circumstances. Your Committees find that the Hawaii Children’s Health Care Program would cover preventive services, immunizations, diagnostic tests, emergency care, and dental and mental health services, along with some prescription coverage.

Specifically, this measure establishes a three-year pilot program of health care coverage for children between three months and eighteen years of age who are ineligible for any other state or federal health care coverage, thereby reducing the adverse effects of preventable and treatable illnesses on the children’s growth and development. The State, through the Department of Human Services and a mutual benefit society will share the premiums equally with the mutual benefit society for the health care coverage it provides.

Your Committees received testimony in support of the measure from the Good Beginnings Alliance, the Hawaii Medical Service Association (HMSA), and the Hawaii Primary Care Association. Your Committees received testimony in opposition to the measure from the Department of Commerce and Consumer Affairs. The Attorney General and the Department of Human Services submitted comments regarding this measure.

Your Committees also heard testimony regarding the recent approval of the State’s Medicaid waiver proposal. The Section 1115 waiver expands the QUEST program’s income eligibility requirements to allow families earning up to two hundred fifty percent of the federal poverty level to receive free health insurance for their children. The waiver also reduces the monthly premiums according to a sliding scale for children whose families’ income is between two hundred fifty and three hundred percent of the federal poverty level.

Accordingly, your Committees have amended this measure to allow otherwise qualified children whose family income is between two hundred fifty and three hundred percent of the federal poverty level coverage through QUEST Net, with a prorated premium, or through the Hawaii Children’s Health Care Plan at no charge.

Your Committees have further amended this measure by:

- (1) Eliminating its residency requirement;
- (2) Specifying that the mutual benefit society shall be responsible for determining eligibility and enrolling participants in the pilot program;
- (3) Expanding coverage to include children from thirty-one days old through age eighteen;
- (4) Clarifying that infants between thirty-one days and six months of age shall be required to have been uninsured continually since birth to be eligible for coverage through the Hawaii Children’s Health Plan; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 3116, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3116, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Hooser, Whalen).

SCRep. 3066 Human Services on H.B. No. 3194

The purpose of this measure is to reduce the term of appointment for members of the Commission for National and Community Service from four years to three years.

Your Committee received testimony in support of the measure from the University of Hawaii and the Hawaii Commission for National and Community Service.

The National and Community Service Act allows three-year terms on the State Commission for National and Community Service, whereas current state law establishes four-year terms. The Commission must be in compliance with federal law to be eligible for grants or allotments, or to receive a distribution of approved national service positions. Your Committee finds that this measure will make state law consistent with federal law.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3194, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3194, H.D. 1, S.D. 1, and be referred to the Committee on Higher Education.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3067 Human Services on H.B. No. 3217

The purpose of this measure is to establish Kupuna Recognition Day.

Your Committee received testimony in support of the measure from the Department of Education, the Office of Hawaiian Affairs, the Policy Advisory Board for Elder Affairs (PABEA), and over one hundred individuals.

Your Committee finds that our kupuna are a valued cultural resource in Hawaii. The term "kupuna" means grandparent, ancestor, relative, or close friend of the grandparent's generation; it can also mean starting point, source, or growing. Our kupuna represent the source of wisdom and knowledge for all of Hawaii's people. Establishing a Kupuna Recognition Day honors our ancestors and elders and recognizes their many contributions to Hawaii's rich cultural diversity and heritage.

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. 3217, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3068 Judiciary and Hawaiian Affairs on H.B. No. 2500

The purpose of this measure is to provide supplemental appropriations for the expenses of the Judiciary.

Your Committee received testimony in support of this measure from the Judiciary. The Hawaii State Bar Association Family Law Section, the Honolulu Family Court Professionals, the Domestic Violence Clearinghouse and Legal Hotline, and four individuals submitted testimony of conditional support for this measure.

Your Committee finds that the Judiciary is a separate and independent branch of government that should be afforded latitude in making decisions that affect its administration of the courts.

Your Committee further finds that there are some concerns regarding the Kapolei Judicial Complex project. Members of the Hawaii State Bar Association and members of the public have expressed concern about the Judiciary's decision to move a substantial portion of the family law services to Kapolei. The Chair is not inclined to require that a proportionate amount of family law services remain in the Honolulu area; however, the Chair requests the Committee on Ways and Means to consider inserting a proviso to address these concerns.

Your Committee has amended this measure to:

- (1) Change the appropriation for the probation modification project from \$639,224 to \$1,239,000;

- (2) Appropriate \$1,013,609 to the Domestic Violence Clearinghouse and Legal Hotline;
- (3) Reinsert the CIP appropriation of \$48,000,000 for the Kapolei Judicial Complex; and
- (4) Change the effective date from July 1, 2020, to July 1, 2006.

Your Committee would also recommend that the Judiciary's budget worksheets convert the \$249,475 appropriation to Na Loio Immigrant Legal Service from a purchase of service to a grant-in-aid.

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

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3069 Judiciary and Hawaiian Affairs on H.B. No. 2204

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

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

Your Committee received testimony in support of this measure from the Attorney General, the Office of Hawaiian Affairs, and the Native Hawaiian Chamber of Commerce. The Department of Land and Natural Resources submitted comments on this measure.

Your Committee finds that the agreement embodied in this measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded lands. In this light, your Committee notes that \$15,100,000 is the same amount appropriated to the Office of Hawaiian Affairs in Act 329, Session Laws of Hawaii 1997. Your Committee also notes that according to the consumer price index, which measures the average change in prices over time, the \$15,100,000 paid in 1997 would equate to approximately \$19,000,000 in 2006.

Your Committee also finds that the \$17,500,000 agreed upon should be considered a credit for payment owed the Office of Hawaiian Affairs for the period of July 1, 2001 through June 30, 2005. The payment of \$17,500,000 should be construed as if the amount came from the ceded land revenues.

Your Committee has amended this measure to:

- (1) Insert an additional sentence at the end of section 3 to provide that the governor is expressly authorized to fix the amounts each agency shall transfer to the Office of Hawaiian Affairs in each quarter by executive order to implement the provisions of this measure in accordance with the testimony of the Attorney General;
- (2) Ensure that the Office of Hawaiian Affairs shall be consulted by the Department of Land and Natural Resources in determining the method in which the accounting of all receipts from lands described in section 5(f) of the Admission Act shall be conducted;
- (3) Allow for the Office of Hawaiian Affairs to provide funds for the accounting only after the moneys appropriated to the Department of Land and Natural Resources are expended. This amount shall not exceed \$250,000; and
- (4) Change the effective date from July 1, 2020 to July 1, 2006.

Your Committee notes that after decision making on this measure, the Office of Hawaiian Affairs submitted the following proposed language:

Should any additional funds be necessary to carry out the purpose of section 5 after the department of land and natural resources has expended the \$250,000 appropriated out of the general revenues of the State of Hawaii, the office of Hawaiian affairs shall provide the additional funds up to \$250,000.

The Office of Hawaiian Affairs' proposed changes are underlined above. Your Committee finds that this proposal is in line with the Committee on Judiciary and Hawaiian Affairs' intent in making sure that the Office of Hawaiian Affairs' funds are expended only after those general revenue funds appropriated to the Department of Land and Natural Resources. As such, your Committee asks the Committee on Ways and Means to revise this measure in accordance with the Office of Hawaiian Affairs' proposed language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3070 (Joint) Education and Military Affairs and Human Services on H.B. No. 3237

The purpose of this measure is to establish an inter-departmental working group to plan a state early learning system.

Your Committees received testimony in support of this measure from the University of Hawaii System. Comments in support of the intent or principle of this measure were submitted by the Department of Education, the Department of Human Services, the Hawaii Educational Policy Center, KCAA Preschools of Hawaii, and the Institute for Native Pacific Education and Culture. Comments in opposition to this measure were received from the Calvary Episcopal Preschool, Good Beginnings Community Council – Maui, the Hawaii Association for the Education of Young Children, the Hawaii Association of Independent Schools, and Waianae Coast Early Childhood Services. Comments were submitted by the Good Beginnings Alliance Senior Advisory Committee.

Your Committees find that this measure has been the result of diligent efforts made by the early childhood education community in Hawaii, and that several amendments have been suggested to it to build on the ever-evolving development process.

Your Committees have amended this measure by:

- (1) Incorporating amendments suggested by the Good Beginnings Alliance;
- (2) Including a provision for a five-year pilot program to be overseen by the Office of Early Learning;
- (3) Creating an Office of Early Learning based on the intent of Senate Bill No. 3101, which created an Early Learning Authority;
- (4) Adding a policy board to advise and set policy for the Office of Early Learning based on the existing Hawaii Teachers Standards Board; and
- (5) Deleting the sunset date of July 1, 2008.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3237, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3237, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Tsutsui, Trimble).

SCRep. 3071 (Joint/Majority) Human Services and Health on H.B. No. 2097

The purpose of this measure is to provide caregivers of relatives with some financial relief by providing a caregiver tax credit for eligible taxpayers who care for qualified care recipients.

Your Committees received testimony in support of the measure from Faith Action for Community Equity (FACE), the National Multiple Sclerosis Society, Hawaii Division, the Policy Advisory Board for Elder Affairs (PABEA), UNITE HERE!, and three individuals. The Department of Taxation supports the intent of this measure, but prefers the provisions of companion measures H.B. No. 2414 and S.B. No. 2377. Your Committees received comments regarding the measure from the Tax Foundation of Hawaii.

Your Committees find that this measure would reduce the financial burden on individuals who provide care to family members who are age sixty or older, and who require either supervision due to a cognitive impairment or substantial assistance with at least two activities of daily living. Your Committees further find that a “qualified care recipient” includes family members who either have co-resided with the caregiver for at least six months of the taxable year, or who have received more than fifty percent of their financial support during the taxable year from the caregiver. Your Committees note that this measure is intended to offer relief to individuals who do not receive compensation for providing care.

Your Committees have amended this measure by:

- (1) Authorizing advanced practice registered nurses to certify that qualified care recipients require either substantial supervision to protect them from threat to health or safety due to cognitive impairment or substantial assistance to perform at least two activities of daily living;
- (2) Replacing the \$1000 tax credit with a tax credit schedule according to adjusted gross income; and
- (3) Making technical, non-substantive amendments for purposes of clarity and style.

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. 2097, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2097, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Hanabusa, Hooser, Whalen).

SCRep. 3072 Health on H.B. No. 1869

The purpose of this measure is to increase prescription drug safety, as well as the availability of accurate prescription drug information by requiring prescription drug advertisements conform to federal standards, mandating public disclosure of clinical trials, and establishes a special fund with revenue from fees charged to prescription drug manufacturers.

Your Committee received testimony in support of this measure from the National Legislative Association on Prescription Drug Prices, Consumers Union, and the ILWU Local 142. Your Committee received testimony in opposition to the measure from the Department of Health, the Department of the Attorney General, and the Pharmaceutical Research and Manufacturers of America.

Your Committee finds that the lack of transparency of clinical trial findings, mixed with the profit motive of pharmaceutical companies to publicize positive information that promotes sales, presents a serious risk to the health of consumers.

Your Committee further finds and the Department of the Attorney General noted in its testimony that a likely constitutional problem exists regarding the title of this measure. Article III, section 14 requires that each law embrace only one subject, which shall be expressed in its title. This measure as titled seems to express two subjects. Additionally, testimony in opposition to this measure noted the inevitable negative impact this measure will have on Hawaii's biotech industry and on the University of Hawaii research programs due to the restrictions and cost increases that manufacturers will incur from the required fees.

Your Committee has amended this measure by:

- (1) Removing all references to biological products;
- (2) Eliminating the fees and the special fund provision;
- (3) Eliminating the education initiative;
- (4) Correcting the reference to penalties under 580-4 and replaced it with the Unfair and Deceptive Trade Practices Act; and
- (5) Specifying that the measure regulates clinical trials in Hawaii only and the advertising that originates in Hawaii.

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. 1869, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1869, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3073 Health on H.B. No. 1242

The purpose of this measure is to improve the health and safety of women by clarifying and eliminating outdated language in the statute dealing with the intentional termination of pregnancy while not changing rights that are currently protected under state and federal law.

Your Committee received testimony in support of this measure from the Commission on the Status of Women, the Community Alliance on Prisons, the Hawaii Women's Coalition, the American Civil Liberties Union, Hawaii Women Work, National Association of Social Workers, University of Hawaii Women's Studies Program, Planned Parenthood of Hawaii, Church of the Crossroads, Healthy Mothers Healthy Babies, and sixty-nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Catholic Conference, the Hawaii Family Forum, the Christian Voice of Hawaii, Hawaii Right to Life, Pro-Family Hawaii, and twenty-five individuals.

Your Committee finds that section 453-16, Hawaii Revised Statutes, which has not been revised since it was enacted in 1970, is unconstitutional as written and needs to be revised. The sole purpose of this revision is to bring the statute into conformity with federal and state law.

Your Committee further finds that this measure will properly revise the unconstitutional portions of 453-16(a), Hawaii Revised Statutes, by including clinics and physicians' offices as safe, acceptable places for abortions to be performed and by removing the residency requirement.

Your Committee further finds that the hospital requirement under section 453-16(a)(2), Hawaii Revised Statutes, should be amended to conform with federal law and Hawaii's existing practices which have properly followed Supreme Court decisions. In *Akron v. Akron Center for Reproductive Health, Inc.*, 462 U.S. 416 (1983), the Court invalidated a statute requiring a 24-hour waiting period prior to performing an abortion. The Court held that the State had not shown that any legitimate state interest was being served "by an arbitrary and inflexible waiting period." Similarly, the Court in *Doe v. Bolton*, 410 U.S. 179 (1973) applied the same standard to the Georgia statute requiring abortions be performed in a specially accredited hospital. The Court held that the standards must be legitimately related to the objective the State seeks to accomplish. The State's objective, to ensure the quality of the operation and the full protection of the patient, is not legitimately related to the requirement that all abortions are to be performed in an accredited hospital because no persuasive data was presented that only hospitals meet the State's interest. Conversely, there is a multitude of data

showing that some facilities other than hospitals, such as clinics, are more than adequate to perform abortions safely if they have the staffing and equipment necessary to handle serious complications or have an arrangement with a nearby hospital to provide those services.

The United States Supreme Court has repeatedly struck down durational residency requirements. In *Doe*, addressing the Georgia law requiring proof of residency before an abortion can be performed, the Supreme Court held that the Privileges and Immunities Clause, Const. Art. IV, §2, protects individuals seeking medical services that are available in a state. The Court further held that a state law requiring residency for individuals seeking medical care within that state's borders was unconstitutional because it was not based on any policy of preserving state-supported facilities for residents and there was no evidence that the medical facilities were utilized to capacity in caring for its residents. Accordingly, the ninety day residency requirement under 453-16(a)(3), Hawaii Revised Statutes, should be repealed to conform with federal law.

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. 1242, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3074 Health on H.B. No. 2410

The purpose of this measure is to clarify that the exception from certain requirements of the Uniform Controlled Substances Act for any over-the-counter sale, transfer, furnishing, or receipt of a drug containing pseudoephedrine or norpseudoephedrine is subject to compliance with the additional restrictions on the sale of over-the-counter pseudoephedrine products imposed by Act 193, Session Laws of Hawaii 2005.

Your Committee received testimony in support of this measure with recommended amendments from the Department of Public Safety and the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that new federal regulations affecting Chapter 329, Hawaii Revised Statutes, were signed into law by President Bush and will take effect on September 30, 2006. The Department of Public Safety submitted testimony with recommended amendments that will bring Chapter 329, Hawaii Revised Statutes, into conformance with these new regulations.

Accordingly, your Committee has amended this measure by:

- (1) Reducing the amount of dispensable grams to 3.6 grams per day without regard to the number of transactions, or nine grams a month, except when dispensed pursuant to a prescription;
- (2) Requiring pseudoephedrine products to be moved behind the counter and that purchasers must provide identification to the retailer who must record identifying information of that purchaser; and
- (3) Requiring pseudoephedrine purchasers to sign a written log or receipt.

Your Committee further amended this measure by adding the drug Zopiclone, trade name Lunesta, to schedule IV of the controlled substances list.

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. 2410, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2410, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3075 Health on H.B. No. 2109

The purpose of this measure is to coordinate and develop fetal alcohol spectrum disorder (FASD) information, education, policies, and support services statewide by establishing and appropriating funds for a permanent state FASD coordinator position within the Department of Health Family Services Division.

Your Committee received testimony in support of this measure from the Department of Health; the March of Dimes Hawaii Chapter; Healthy Mothers, Healthy Babies; and eight individuals.

Your Committee finds that children affected by fetal alcohol spectrum disorder have life-long learning, behavioral, and health problems. This disorder is fully preventable by eliminating alcohol consumption during pregnancy.

Your Committee further finds that creation of a FASD coordinator position was the primary recommendation from the FASD task force established by the House Concurrent Resolution No. 141 of the 2004 legislative session. If funding and a position count is secured, the Department of Health's Family Health Services Division agrees to direct efforts to ensure optimal intra- and inter-departmental coordination of FASD related services and planning.

Your Committee amended this measure by including an appropriation amount of \$100,000.

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. 2109, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2109, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3076 (Majority) Health on H.B. No. 2589

The purpose of this measure is to authorize psychologists who have obtained the appropriate education, training, and experience, to prescribe a limited formulary of psychotropic medications for the treatment of mental illness while practicing in federally qualified health centers or licensed health clinics located in federally designated medically underserved areas or in mental health professional shortage areas.

Your Committee received testimony in support of this measure from the American Psychological Association, the Hawaii Psychological Association, Hawaii Primary Care, the Hawaii Medical Service Association, the Molokai Community Health Center, the Waimanalo Health Center, the Waianae Coast Comprehensive Health Center, the Waikiki Health Center, Na Pu'uwai, Ohana Clinical Care Inc., the Louisiana Academy of Medical Psychologists, the Health Psychology Associates, and twenty seven individuals.

Your Committee received testimony in opposition to the measure from the Department of Health, the Department of Public Safety, the Board of Psychology, the Board of Medical Examiners, Hawaii Psychiatric Medical Association, the Hawaii Medical Association, the American Association of Applied and Preventive Psychology, the University of Hawaii at Manoa Department of Psychology, NAMI Oahu, Ho'ola Lahui Hawaii, the Hawaii County Council, the Hawaii Association of Osteopathic Physicians and Surgeons, the Hawaii Physicians and Surgeons Association, Inc., and ninety-seven individuals.

Your Committee finds that a significant gap in mental health care services needs to be filled, particularly on the neighbor islands and rural areas of Hawaii.

Your Committee further finds that despite the overwhelming need for behavioral health services, the number of psychiatrists serving Hawaii community health centers has not increased for decades. Conversely, in just four years, the number of licensed psychologists serving the community health centers has doubled. Enabling licensed psychologists who serve in federally qualified health centers, licensed health clinics located in federally designated medically underserved areas, or in mental health professional shortage areas to have limited prescriptive authority will appropriately address the mental health care needs of patients on the neighbor islands and in rural areas of the State. The community health centers are at a distinct disadvantage in recruiting mental health professionals due to limited financial resources. Therefore, these community health centers need clinicians who can perform a broad range of services.

Additionally, the individuals residing in the underserved areas are often poor and have a co-morbidity with a behavioral health component. To address this growing problem, the Waianae Coast Comprehensive Health Center began integrating behavioral health into its primary care clinics. Through the utilization of medical psychologists, the number of mental health and substance abuse encounters increased from 2,133 in 2002 to 15,108 in 2005, with no quality of care issues or provider care incident reports.

Your Committee further finds that testimony in opposition to this measure expressed concerns relating to the lack of adequate didactic and clinical training of psychologists if they were to have prescriptive authority.

Accordingly, your Committee amended this measure to address those concerns by requiring the applicant to:

- (1) Hold a doctoral degree in Psychology;
- (2) Have provided health services for five consecutive years as a licensed psychologist;
- (3) Have successfully graduated with a post-doctoral master's degree in clinical psychopharmacology from a regionally accredited institution or equivalent approved by the board in which training includes a minimum of five hundred hours of didactic classroom instruction; and
- (4) Have completed a supervised practicum of at least two years involving five hundred hours treating a diverse population of no fewer than one hundred fifty patients with mental disorders.

Your Committee further amended this measure by:

- (1) Requiring that a psychologist who has been granted prescriptive authority shall prescribe only in consultation and collaboration with the patient's primary or attending physician, and with the concurrence of that physician, and requiring the psychologist to re-consult with the patient's physician prior to making any changes in the patient's medication regimen, including dosage adjustments, adding, or discontinuing medication;
- (2) Defining "medical psychologist";
- (3) Increasing the continuing education requirements;
- (4) Establishing a formulary advisory committee within the Department of Commerce and Consumer Affairs for administrative purposes; and

- (5) Extending the sunset date to 2015.

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. 2589, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Chun Oakland). Excused, 2 (Hanabusa, Whalen).

SCRep. 3077 Media, Arts, Science and Technology on H.B. No. 2857

The purpose of this measure is to facilitate the protection of historic properties, aviation artifacts, and burial sites by making it a civil and administrative violation to knowingly violate the conditions of an approved mitigation plan that includes monitoring and preservation plans.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and one individual.

Hawaii has a rich historical culture that needs to be preserved for future generations. Private landowners often agree to preserve significant cultural and historical sites as means of obtaining any required building permits from the applicable county by submitting to the Department of Land and Natural Resources a mitigation plan. Although the Department approves the mitigation plans submitted on behalf of these landowners, the Department is unable to enforce the conditions set forth in these plans.

The Department has been unable to seek administrative action and impose monetary fines against landowners who destroyed historic properties they originally agreed to preserve, and against archaeological consultants who failed to maintain the provisions set forth in archaeological monitoring plans. In one case, over eighty archaeological sites that a landowner agreed to preserve were destroyed without any recourse.

Your Committee finds that amending section 6E-11, Hawaii Revised Statutes, to make it a civil and administrative violation to knowingly violate the conditions of an approved mitigation plan will enable the Department of Land and Natural Resources to enforce the provisions of a mitigation plan. A civil recourse provision will allow the Department to further protect Hawaii's unique and significant cultural and historical resources.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2857, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3078 Energy, Environment, and International Affairs on H.B. No. 3053

The purpose of this measure is to allow the public utilities commission to establish standards that prescribe what portion of the renewable energy standards are to be met by specific types of resources; provided that at least fifty percent of the renewable portfolio standards are met by electrical energy produced by wind, solar energy, hydropower, landfill gas, waste to energy, geothermal resources, ocean thermal conversion, wave energy, biomass, including municipal solid waste, biofuels, or fuels derived from renewable energy or fuel cells where the fuel is derived from renewable sources.

The Public Utilities Commission, the Office of Hawaiian Affairs, Hawaiian Electric Company Inc., Maui Electric Co., Hawaii Electric Light Co., the Hawaii Renewable Energy Alliance, the Hawaii Energy Policy Forum, the Sierra Club Hawaii Chapter, Life of the Land, and Rocky Mountain Institute submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism, and the Department of Commerce and Consumer Affairs submitted comments. Honolulu Seawater Air Conditioning LLC submitted testimony in opposition.

Your Committee finds that the State needs to reduce its dependence on oil. The energy cost adjustment clause contributes to the continued use of oil by allowing the energy utilities to avoid all financial risks associated with the costs of fuel and fuel price volatility by passing these costs through to their customers.

Upon further consideration, your Committee amended this measure by:

- (1) Deleting all of the original provisions;
- (2) Adding the definitions of "fuel adjustment clause" and "fuel oil" to section 269-1, Hawaii Revised Statutes (HRS);
- (3) Amending section 269-16, HRS, to require the Public Utilities Commission, by December 31, 2007, to determine whether to:
 - (A) Eliminate the fuel adjustment clause; or

(B) Establish ratemaking provisions that amend the fuel adjustment clause to share fuel oil cost increases and decreases between utility shareholders and utility customers; and

(4) Making the measure effective upon approval.

The amended measure should motivate electricity suppliers to pursue renewable energy.

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

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Kokubun, Hanabusa).

SCRep. 3079 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2509

The purpose of this measure is to clarify that the requirement of proof of financial responsibility for a traffic violation conviction does not apply to conviction or a license suspension or revocation of a provisional license.

Your Committees received testimony in support of this measure from the Honolulu Department of Customer Services, Mothers Against Drunk Driving, and the Public Defender.

The requirement for proof of financial responsibility is intended for conviction of very serious traffic offenses, such as reckless or inattentive driving, or driving under the influence of intoxicating liquor or drugs. Your Committees find that a violation of the provisional license law does not constitute an offense that rises to the level of seriousness as contemplated by the proof of financial responsibility law.

Your Committees have made a conforming statutory amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2509, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2509, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3080 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2655

The purpose of this measure is to require the police department of any county with a population in excess of five hundred thousand to establish a multidisciplinary accident investigation team.

Your Committees received testimony in support of this measure from the Department of Transportation; Nightingale Case Management, Inc.; one Hawaii House of Representatives Member, and three individuals. Testimony in opposition was received from the Honolulu Police Department.

Your Committees find that traffic accident investigation is of the utmost urgency, especially when a fatality occurs. Although the evidence collected at traffic accident scenes may be crucial to determining their cause, these accident investigations proceed at a slower rate in Hawaii than in comparable metropolitan areas in the United States. It has been estimated that the average length of time for lane closures in Hawaii ranges from two to four hours for major traffic accidents and to upward of eight hours when a fatality occurs. In contrast, the California highway patrol average for lane closures ranges from thirty minutes for major collisions to sixty minutes for fatal accidents.

The Honolulu Police Department currently conducts on-site measurements of accidents using surveying equipment to collect data, which is then used to complete accident investigations. In contrast, the California highway patrol, the Oregon state police, the Washington state patrol, the Utah highway patrol, and the Arizona department of public safety use what is known as a multidisciplinary accident investigation team system that employs digital photography and other equipment that has reduced the duration of lane and road closures.

Multidisciplinary accident investigation teams use total station survey systems that employ laser technology to record specific reference points that are recorded in an on-board data collector. Total station survey systems significantly accelerate data collection, thereby minimizing the time the roadway is closed and reducing the exposure of officers and civilian personnel to the inherent hazards of traffic congestion caused by roadway closures. The data can then be downloaded into a computer-aided drawing program and printed in a large format.

The use of total station survey systems have proven to be more efficient than other generally accepted methods, but requires the use of two team members to operate the equipment and document measurements. Data collection can be accelerated even further by use of a robotic total station survey system that can be managed effectively with one member.

Your Committees note the testimony of the Honolulu Police Department that it is presently doing very similar procedures, and that it checked with mainland jurisdictions and learned that they actually have similar traffic investigation times to Honolulu for traffic fatalities. However, mainland cities and counties generally have alternative roads and streets when traffic is tied up so the wait in traffic is largely alleviated. The department also stated that the reported statistics appear to involve investigations of a preliminary nature when compared to traffic fatality investigation in Honolulu. Your Committees are also concerned about the costs of mandating the counties to establish this program.

Your Committees have amended this measure by changing the effective date to July 1, 3006 for the purposes of further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2655, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2655, H.D. 1, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3081 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2747

The purpose of this measure is to allow the examiner of drivers to issue an instruction permit to an applicant with a disability who completed a medical review with this State, and as a condition to licensure, must pass a road test, but has failed on the applicant's first attempt.

Your Committees received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Disability and Communication Access Board.

Your Committees find that an applicant for an instruction permit, who has failed the first road test, should not be denied a permit if the person has completed and passed a medical review to certify the applicant as qualified for an instruction permit.

Your Committees have amended this measure by making technical, nonsubstantive amendments and changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2747, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2747, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3082 Health on H.B. No. 2192

The purpose of this measure is to ensure that the definitions in chapter 329, Hawaii Revised Statutes, are consistent with federal law, to establish central fill pharmacies, to clarify the requirements of a controlled substance prescription, and to allow the sharing of controlled substance prescription information with other state monitoring systems.

Your Committee received testimony in support of this measure from the Department of Public Safety, Kaiser Permanente, the Hawaii Pharmacists Association, and Longs Drugs.

Your Committee finds that the Uniform Controlled Substances Act needs to be up-to-date and to conform with current federal law. Your Committee further finds that the central fill prescription system will allow for centralization of pharmacy operations, use the latest information technology, make the processing of legal controlled substances more efficient, and continue to protect medical information from being illegally disseminated.

Your Committee has adopted the suggestions of the Department of Public Safety and Longs Drugs and has amended this measure by:

- (1) Deleting the separate definitions of "long-term" and "short-term" and including them under one definition of types of detoxification treatment;
- (2) Deleting "drug" from the definition of "prescribe";
- (3) Replacing the defective effective date to become "effective upon its approval"; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2192, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2192, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3083 Health on H.B. No. 2884

The purpose of this measure is to improve emergency health care for residents and visitors of the Haiku region of Maui by providing twenty-four hour advanced life support ambulance service in that region.

Your Committee received testimony in support of this measure from the Mayor of Maui County, the Haiku Community Association, and three individuals. Your Committee received testimony in opposition to the measure from the Department of Health and one individual.

Your Committee finds that the Haiku region of Maui is in dire need of advanced life support ambulance service. The closest ambulance service is ninety miles away. This unnecessarily long wait endangers the health of the residents and visitors of Haiku.

Your Committee further finds that a twelve-hour advanced life support ambulance service would support the Haiku region by offsetting the overburdened ambulance services in nearby regions.

Accordingly, you Committee amended this measure by including a blank appropriation amount for a twelve-hour advanced life support ambulance 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 H.B. No. 2884, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2884, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3084 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 1833

The purpose of this measure is to authorize the counties to issue fireworks permits through authorized designees.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; Honolulu Police Department; Honolulu Fire Department; the State Fire Council; Hawaii County Fire Department; T Kaneshiro Store; Legislative Information Services of Hawaii; T.H.Y. & Associates, Inc., PINKY'S; and J. Hara Store.

Your Committees find that this measure is intended to facilitate the purchase of fireworks by making it more convenient to obtain a permit and purchase fireworks at the same store. This relieves the administrative burden on the counties and facilitates the fire departments in accounting for retailer fireworks inventories and sales.

Your Committees remain concerned about the potential for abuse in issuing fireworks permits if a store would both issue permits and sell fireworks authorized on those same permits. Your Committees note that there is a provision in the measure that would prohibit the same authorized designee to issue permits and sell fireworks based on those same permits. However, testimony indicated that the County of Hawaii is presently administering such a program and there has been only a modest rise in fireworks permits. The demographics and geography of the Big Island make a trip to the fire station or city building inconvenient for most residents.

Your Committees have amended this measure by:

- (1) Allowing counties with a population of less than 500,000 to authorize a designee to issue a fireworks permit and sell fireworks based on the same permit; and
- (2) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1833, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1833, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3085 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 3257

The purpose of this measure is to require the police to inform a person arrested for driving under the influence of intoxicants of the sanctions for refusal to submit to breath, blood, or urine test only if person withdraws consent to testing implied by operation of a vehicle on public highway or waters of the State.

Your Committees received testimony in support of this measure from the Department of Transportation; Honolulu Prosecuting Attorney; Honolulu Police Department; and Mothers Against Drunk Driving Hawaii.

Your Committees find that this measure would considerably reduce the amount of time spent by the police in processing persons arrested for operating vehicles while under the influence of an intoxicant. Testimony indicated that police have been hampered for a

long time by the amount of paperwork involved in the processing of these persons. Currently, police have to read from three to ten pages of information to an arrested person to inform the person of the person's rights, as, over the years, court decisions have been incorporated into the form which is read to the person in order to satisfy the court holding. The result has been that police spend more time processing a person than being on the street to apprehend drunk drivers.

Your Committees have amended this measure by:

- (1) Making clarifying amendments on the recommendation of the Honolulu Prosecuting Attorney;
- (2) Changing the effective date to upon approval; and
- (3) Correcting a Ramseyer error.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3257, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3257, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3086 Tourism on H.B. No. 1026

The purpose of this measure is to amend the definition of "fair market value" under the transient accommodations tax by replacing the one-half percent reference with an unspecified percent of gross maintenance fees.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association and ILWU Local 142. Testimony in opposition was received from the Department of Taxation; Hilton Grand Vacations Club; Hawai'i Hotel & Lodging Association; Starwood Vacation Ownership; Maui Sunset Timeshare Association; Kona Coast Resort; Cendant Corporation; Fairfield Resorts; RCI; ARDA-Hawaii; Marriott International, Inc.; and over 1,400 individuals. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that time share owners are essentially fractional owners of fee simple property. Your Committee believes that time share owners are treated unfairly in the tax laws. Time share owners are subject to triple taxes via the general excise tax, the real property tax, and the transient accommodations tax, whereas condominium owners are not subject to the general excise tax or the transient accommodations tax.

In some cases, owners of time shares pay both the transient accommodations tax on a percentage of the maintenance fee and on the rental proceeds of the unit. This amounts to double taxation on essentially the same subject.

Your Committee understands that some time share units are also used as rental vacation units. These time share units should be subject to the transient accommodations tax on the rental proceeds.

Your Committee has amended this measure by deleting its contents and inserting provisions to:

- (1) Repeal the transient accommodations tax on resort time share vacation interests;
- (2) Imposing the transient accommodations tax on the rental proceeds derived from time share units when used as transient accommodations; and
- (3) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1026, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1026, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes 4. Noes, none. Excused, 2 (Hee, Tsutsui).

SCRep. 3087 Tourism on H.B. No. 1922

The purpose of this measure is to exempt the operator of the Hawaii Convention Center from the general excise tax for amounts received for reimbursement of costs or advances made under contract with the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Department of Taxation (DOTAX) and the Hawaii Tourism Authority (HTA). Comments were received from the Tax Foundation of Hawaii.

According to testimony of DOTAX, the general excise tax reimbursement exemption under current law cannot be interpreted to apply to third party management companies such as the operator of the Hawaii Convention Center. The HTA reimburses the operator for expenses and pays a management fee. This measure would exempt from the general excise tax the amounts received by the operator as the reimbursements.

According to an Attorney General opinion, dated February 8, 2006, addressed to your Committee pursuant to a verbal request at a hearing on February 7, 2006 on the Senate companion measure, DOTAX was correct in its interpretation and application of the general excise tax in regard to the operator of the Hawaii Convention Center.

Your Committee finds that the operator of the Hawaii Convention Center should be liable only for the general excise tax on the fee it collects from the HTA. Inasmuch as the center is a state facility, operational expenses should not be subject to the general excise tax.

Your Committee has amended this measure by deleting its contents and inserting provisions of S.B. No. 2975, SD1, a companion measure, and changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1922, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1922, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Tsutsui).

SCRep. 3088 (Majority) Tourism on H.B. No. 1923

The purpose of this measure is to repeal the sunset of some provisions of part I of Act 58, Session Laws of Hawaii 2004, allowing the Hawaii Tourism Authority to supervise its own accounts, appoint a sports coordinator, and expend five percent of special fund moneys for administration.

This measure also extends the sunset date from June 30, 2007 to June 30, 2010 of provisions in Act 58 relating to the ability of the Hawaii Tourism Authority to hire private attorneys.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority and Hawaii Lodging & Hotel Association. Testimony in partial opposition was received from the State Attorney General.

The provisions of Act 58 which are the subject of this measure were intended to allow the Hawaii Tourism Authority to execute its financial transactions more effectively, perform its contracts on a timely basis, improve its overall efficiencies, and be more responsive to stakeholders. According to testimony of the Hawaii Tourism Authority on a companion Senate measure, the intent of these provisions have been met and exceeded. Therefore, the sunset of these provisions in Act 58 should be removed and the provisions made permanent.

Your Committee has amended this measure by deleting its contents and inserting provisions of S.B. No. 2974 to make permanent the enactments of part I of Act 58, Session Laws of Hawaii 2004, upon approval.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1923, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Hee, Tsutsui).

SCRep. 3089 Tourism on H.B. No. 2669

The purpose of this measure is to repeal the cap of \$31,000,000 of transient accommodations tax revenues to be deposited into the convention center enterprise special fund.

Your Committee received testimony in support of this measure from Hawaii Tourism Authority; Department of Business, Economic Development, and Tourism; Hawai'i Hotel & Lodging Association; and Outrigger Hotels. Testimony in opposition was received from the Hawaii Government Employees Association. Comments were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the cap of \$31,000,000 on deposits from the transient accommodations tax into the convention center enterprise special fund serves the purpose of ensuring that the convention center remains fiscally responsible. Further, without a cap, the convention center could receive the full 17.3 percent of transient accommodations tax revenues without any deposits of the excess into the general fund of the excess over \$31,000,000.

Based upon testimony that raising the cap to \$36,000,000 would satisfy all parties, your Committee has amended this measure by changing the cap accordingly, effective July 1, 2006.

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

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Tsutsui).

SCRep. 3090 Health on H.B. No. 2153

The purpose of this measure is to appropriate funds to the Department of Health to provide outpatient, urgent, and extended medical care services after normal physician hours in West Maui.

The Department of Health, West Maui Health Alliance, The Friends of Maui County Health, Maui Land & Pineapple Company Inc., and two individuals submitted testimony in support of this measure.

Your Committee finds that outpatient, urgent, and extended medical care services are needed in West Maui. An appropriation of \$1,000,000 was previously made to Hawaii Health Systems Corporation for Maui Memorial Medical Center to develop a plan to provide urgent and extended care services in West Maui. Those funds were released and planning has commenced. All efforts related to the provision of urgent and extended care services in West Maui must be coordinated. This measure will provide funds to complement the existing effort and to initiate the implementation of the plan for after hours urgent and extended care services in West Maui.

Your Committee has amended this measure by:

- (1) Adding clarifying language to the legislative findings section;
- (2) Designating that the funds are for Hawaii Health Systems Corporation to contract with a private health care provider or a non-profit health care provider pursuant to chapter 103F, Hawaii Revised Statutes, to:
 - (A) Provide outpatient, urgent, and extended medical care services after 8:00 p.m., in West Maui. Proposals shall demonstrate long-term sustainability or a means to reduce non-emergency emergency dispatch calls to Maui memorial medical center and a commitment to accept all patients; and
 - (B) Fund expenses related to the delivery of direct services, including staff salaries for medical and administrative personnel, and operating expenses; provided that funds shall not be used for equipment; and
- (3) By making technical, non-substantive amendments for clarity, consistency, 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 H.B. No. 2153, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2153, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3091 Health on H.B. No. 1975

The purpose of this measure is to provide critical medical care services for residents and visitors on the island of Hawaii by appropriating funds for two emergency mobile urgent care units.

Your Committee received testimony in support of this measure from the County of Hawaii Fire Department, the Hawaii Government Employees Association, Hawaii Medical Service Association, and one individual. Your Committee received comments from the Department of Health.

Your Committee finds that the rural communities of the island of Hawaii need enhanced access to health care services. The Department of Health expressed concerns as to the effectiveness of two mobile units being stationed at fire departments, staffing, and how this new proposal differs from existing resources.

Accordingly, your Committee has amended this measure by establishing a pilot program through the Department of Health to plan and evaluate urgent care services including the efficacy of mobile units and other service delivery options in the Ocean View and Volcano communities on the island of Hawaii.

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. 1975, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3092 (Joint) Education and Military Affairs and Water, Land, and Agriculture on H.B. No. 2610

The purpose of this measure is to support charter schools.

Specifically, this measure establishes:

- (1) A charter schools facilities fund partnership;
- (2) A tax credit for landlords who rent or lease property to charter schools; and

- (3) Reimbursement to new century charter schools for rental or mortgage payments made for charter school facilities.

Your Committees received testimony in support of this measure from the Board of Education and the Department of Education. Testimony in support of the intent of this measure was submitted by the Charter School Administrative Office. Comments to this measure were received from the Department of Taxation, the Hawaii Government Employees Association, and the Tax Foundation of Hawaii.

Your Committees find that certain of this measure's provisions remain underdeveloped, and with the exception of the provision encouraging the State to enter into leases with new century charter schools, will omit most of them in the final version.

Your Committees have amended this measure by:

- (1) Omitting the provisions relating to the establishment of the charter schools facilities fund partnership; the tax credit to landlords renting to a new century charter school; and new century charter school reimbursement for rent, lease, or mortgage payments;
- (2) Inserting a provision from Senate Bill 2707, S.D. 2, relating to facilities funding for new century charter schools; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2610, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2610, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (English, Tsutsui, Hemmings).

SCRep. 3093 Education and Military Affairs on H.B. No. 2743

The purpose of this measure is to establish a facilities alignment commission that shall revitalize school facilities by identifying underutilized schools to consolidate for resource maximization.

Your Committee received testimony in support of this measure from the Office of the Governor, the Department of Budget and Finance, the Chamber of Commerce of Hawaii, and the Land Use Research Foundation of Hawaii. Testimony in support of the intent of this measure was submitted by the Hawaii Government Employees Association and the Office of Hawaiian Affairs. Comments in opposition to this measure were received from the Board of Education, the Hawaii State Teachers Association, and one individual.

Your Committee finds that Chapter 38 of the Hawaii Administrative Rules currently sets forth procedures and guidelines regarding the consolidation of public schools. Your Committee called on the Department of Education to submit to the Legislature a report describing how these rules have been used in the recent past and how effective any such closures or consolidation of resources has proved for the communities involved.

Your Committee has amended this measure by:

- (1) Requiring that a majority of the commission be comprised of persons with professional experience in education;
- (2) Requiring at least one member of the commission to be a representative from the Department of Education;
- (3) Making an exception to the provision that members of the commission not be employees of the State for any members appointed who are current or former department of education teachers or administrators;
- (4) Mandating that a school's academic and extracurricular successes as well as the reasons therefor, and the best interests of students, be a significant part of the school alignment selection criteria;
- (5) Making the effective date defective to facilitate further discussion of this measure; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2743, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2743, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3094 Education and Military Affairs on H.B. No. 2962

The purpose of this measure is to improve the Hawaii charter school system.

Specifically, this measure:

- (1) Re-codifies and reorganizes statutes relating to charter schools into one cohesive chapter;
- (2) Renames new century charter schools and new century conversion charter schools, “charter schools,” and “conversion charter schools,” respectively;
- (3) Carves out a specific statutory section relating solely to conversion charter schools;
- (4) Renames the charter school review panel as the “charter school authorization panel”;
- (5) Sets minimum and maximum limits on the annual contributions a nonprofit organization may make toward the operation of a conversion charter school;
- (6) Clarifies and enhances the powers of the charter school administrative office and its executive director;
- (7) Empowers local school boards to negotiate memorandums of agreement of supplemental collective bargaining agreements;
- (8) Allows charter school civil services employees to retain their civil service status within the Department of Education human resources civil service system; and
- (9) Amends other Hawaii Revised Statutes provisions to maintain consistency with the new chapter relating to charter schools.

Your Committee received testimony in general support of this measure from the Department of Human Resources Development, Waimea Middle School, and the Hawaii State Teachers Association. Testimony in support of the intent of this measure was received from the Board of Education, Ho’okāko’o Corporation, and the Ho’olako Like Community Building Division of Kamehameha Schools. Comments in support of “most of” the intent, or portions of this measure, were received from the Charter School Administrative Office and the Hawaii Government Employees Association. Comments in opposition to a portion of this measure were received from the Office of the Auditor. Comments on this measure were received from the Office of the Governor, the Department of Education, and Volcano School of Arts and Sciences. The Department of Education also supported the recommendations to this measure made by the Board of Education.

Your Committee finds that significant portions of this measure remain in development, and that the effective date of this measure shall be left defective to further the discussion and fine-tuning of certain provisions.

Your Committee has amended this measure by:

- (1) Renaming “new century charter schools,” “start-up charter schools”;
- (2) Renaming the “charter school review panel,” the “charter school oversight panel”;
- (3) Setting forth a chart of minimum and maximum limits on the annual contributions a nonprofit organization may make toward the operations of a conversion charter school which increase incrementally over time;
- (4) Adding definitions for “board of education,” “charter school oversight panel,” and “start-up charter school”;
- (5) Omitting the definition of “panel”;
- (6) Eliminating the modifier “second-tier” where it appears with the phrase “collective bargaining agreement”;
- (7) Modifying the definition of “nonprofit organization”;
- (8) Specifying that a charter school must cooperate with the Board of Education, the Charter School Oversight Panel, and the Charter School Administrative Office;
- (9) Clarifying the procedures for nominating members of the panel;
- (10) Modifying the duties of the panel;
- (11) Modifying the section relating to the limits on charter schools;
- (12) Modifying the application procedures for a new start-up and conversion charter;
- (13) Adding a section that allows the panel to adopt administrative rules to further implement the charter review process for both start-up and conversion charter schools, to adjust charter school allocations based on issues of noncompliance, to place a charter school on probation, and to revoke a charter;
- (14) Eliminating the provision granting the State first right to all assets and facilities of a conversion charter school upon its dissolution or charter revocation;

- (15) Adding provisions exempting local school boards from chapter 103D and chapter 92 of the Hawaii Revised States relating to procurement and public meetings;
- (16) Modifying the powers and duties of the Executive Director of the Charter School Administrative Office;
- (17) Modifying the sections relating to charter school employee collective bargaining;
- (18) Specifying that the Charter School Administrative Office may not bring suit against any entity of the State;
- (19) Modifying portions of the section on charter school funding and finance;
- (20) Modifying the duties of charter schools;
- (21) Modifying the procedures in the event there is an immediate concern for student or employee health or safety at a charter school;
- (22) Making an appropriation to the Board of Education to carry out the purposes of the measure, including the creation of up to two full-time positions; and
- (23) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2962, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2962, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

SCRep. 3095 (Majority) Human Services on H.B. No. 1787

The purpose of this measure is to establish the offense of leaving a child unsupervised in a motor vehicle.

Your Committee received testimony in support of the measure from the Prosecuting Attorney, City and County of Honolulu; the Hawaii Family Forum; the Hawaii Catholic Conference; and the Healthy Mothers, Healthy Babies Coalition of Hawaii. One individual submitted testimony in opposition to this measure.

Your Committee finds that this measure will protect children whose physical safety or health is endangered by being left unattended, or inadequately supervised, in a motor vehicle. Your Committee further finds that this measure is intended to clarify that law enforcement officers, firefighters, or rescue team personnel have discretion to determine what means are reasonably necessary to protect a child and others from physical danger, up to and including removing the child from the vehicle and delivering the child to the custody of the Child Protective Services division of the Department of Human Services.

Your Committee has amended this measure by replacing its contents with the provisions of Senate Bill No. 2079 S.D. 1., which also establishes the offense and requires all driver's license applicants to be tested on their knowledge of the provision.

Your Committee heard testimony explaining that the police frequently receive calls regarding children left unattended in parking lots. In addition to the well-publicized incidents of vehicles being stolen with an unattended child inside, children left unsupervised are at risk for injury or death due to extreme heat exposure, among other dangers.

Your Committee notes the difference of opinion expressed during its discussion of the provisions of Senate Bill No. 2079 S.D. 1 with respect to the ages of children included in the measure's definition of "unsupervised". Your Committee urges the Committee on Judiciary and Hawaiian Affairs to consider which ages of children should be governed by this measure.

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. 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 Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Kokubun).

SCRep. 3096 Human Services on H.B. No. 2043

The purpose of this measure is to require the Department of Human Services to set the medically needy income standard at the maximum allowed under federal Medicaid requirements.

Your Committee finds that this measure will expand eligibility for medical assistance programs for medically needy residents who do not meet current income limitations.

The Department of Human Services, the Legal Aid Society of Hawaii, AARP Hawaii, and the Healthcare Association of Hawaii submitted testimony in support of this measure.

The Legal Aid Society of Hawaii described changes to the federal regulations governing eligibility determination for medical assistance programs, which authorize states to use less restrictive income and resource methodologies under section 1902(r)(2) of the Social Security Act. This means that states can elect to disregard different kinds or greater amounts of income and resources to determine eligibility.

Accordingly, your Committee has amended this measure by replacing the proposed new section to chapter 346, Hawaii Revised Statutes, with language amending section 346-14(16). Specifically, your Committee added a provision directing the Department of Human Services to disregard an amount of an applicant's income equal to the difference between one hundred thirty-three percent of the assistance allowance and one hundred percent of the federal poverty level, as adjusted annually by the federal government, for medically needy assistance programs. Your Committee notes that this directive remains subject to existing provisions regarding the appropriation of state funds and the availability of federal matching assistance.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2043, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2043, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3097 (Majority) Human Services on H.B. No. 2258

The purpose of this measure is to promote accountability and openness in government with respect to the expenditure of Temporary Assistance for Needy Families program funds, by requiring these funds to be expended by legislative appropriation.

Your Committee finds that this measure will ensure that the Legislature is informed of how TANF funds are expended and what the intended objectives of the expenditures are, and updated regarding the effectiveness and level of success in achieving the desired outcomes.

Your Committee received testimony in support of the measure from the Department of Human Services, Blueprint for Change, the National Association of Social Workers, the Welfare and Employment Rights Coalition, and one individual. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee also heard testimony explaining that the measure's legislative appropriation requirement could have the unintended consequence of limiting the State's ability to receive federal funds in addition to the annual TANF Block Grant funds if they become available when the Legislature is not in session.

Your Committee is aware that the Department of Human Services has implemented a statewide TANF strategic planning process to consider the ramifications of the changes in the federal TANF Reauthorization that was enacted in February 2006.

Accordingly, your Committee has amended this measure by:

- (1) Adding a provision requiring the Department of Human Services, with the assistance of the financial assistance advisory council, to involve the community in the strategic planning process to plan for future use of TANF funds and to set annual goals and outcomes for existing and new programs receiving TANF funds;
- (2) Requiring the Department to submit an annual report to the legislature no later than twenty days prior to the beginning of each regular legislative session;
- (3) Revising the legislative appropriation requirement so that it applies only to annual TANF Block Grant funds;
- (4) Adding a collaborative planning element to the requirement that the Department of Human Services submit a plan detailing how TANF funds should be used and the desired outcomes from the expenditures of the funds; and
- (5) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 2 (Hooser, Kokubun).

SCRep. 3098 Health on H.B. No. 2126

The purpose of this measure is to appropriate funds for a advanced life support emergency medical services ambulance unit that would provide sixteen-hours-a-day, seven-days-a-week emergency response services to the areas Lower Mililani, Waipio Gentry, Waikele, Crestview, East Waipahu, Waiawa, and the Pearl City industrial area on Oahu.

Your Committee received testimony in support of this measure from the Honolulu Emergency Services Department and the Mililani Town Anti-Drug Committee. Your Committee received testimony expressing concerns with the measure from the Department of Health.

Your Committee finds that providing for an emergency medical services ambulance, as opposed to a rapid response vehicle, would be more beneficial to the residents of this part of Oahu because it would be able to provide a broader range of emergency services. Additionally, the Honolulu Emergency Services Department recommended that the ambulance be stationed out of Waipio Gentry instead of Mililani because there is safer, faster access onto and off of the freeway and major thoroughfares.

Accordingly, your Committee has amended this measure by authorizing a sixteen-hour emergency medical services ambulance to be stationed out of the Waipio Gentry area. Your Committee further amended this measure by inserting a blank appropriation amount.

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. 2126, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2126, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3099 Media, Arts, Science and Technology on H.B. No. 2421

The purpose of this measure is to provide an alternative mechanism for funding performing arts qualified high technology businesses that qualify for an investment tax credit under section 235-110.9, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Taxation and the Department of Business, Economic Development, and Tourism. Goodsill Anderson Quinn & Stifel, LLP, and the Tax Foundation of Hawaii submitted comments.

The film and television industry in Hawaii is at a critical stage and holds much promise for the economic future of the State. Hawaii is in competition with other states and foreign countries that provide better subsidies and tax incentives to the industry to lure production to their state or country. Under section 235-110.9, for a business to obtain funding for its operations, a business must attract investors who have Hawaii tax liability and can therefore use this type of tax credit. The search for investors can be time-consuming, expensive, high-risk, and speculative, and the business structure necessary to allocate these credits to the investors can be expensive and cumbersome. Therefore, some performing arts qualified high technology businesses, particularly the large movie and television studios, prefer the option of receiving less money in exchange for not having to search for investors.

Your Committee finds that allowing performing arts qualified high technology businesses to sell their investment tax credits back to the Department of Taxation will enable the State to gain a competitive edge in luring film and television productions to Hawaii. Businesses that choose to exercise this option will receive in cash from the State twenty percent of the face value of the tax credit to be paid out over five years. In addition, the business must either waive or transfer to the State all motion picture and film production credits and capital goods excise tax credits under sections 235-17 and 235-110.7, Hawaii Revised Statutes, respectively. Furthermore, the business would also have to contribute 0.5 percent of its aggregate qualified investments to the Hawaii Television and Film Development Special Fund and report certain information to the Department of Business, Economic Development, and Tourism.

Your Committee has amended this measure by:

- (1) Requiring the performing arts qualified high technology businesses to provide their qualified research costs and local hire numbers to the Department of Taxation, instead of the Department of Business, Economic Development, and Tourism;
- (2) Deleting the provision that requires the performing arts qualified high technology businesses to contribute 0.5 percent of their aggregate qualified investments to the Hawaii Television and Film Development Special Fund, and adding a provision that requires the Legislature to annually appropriate an unspecified percentage of the total amount of the revenue generated as a result of the credits transferred for the previous tax year to the Hawaii Television and Film Development Special Fund;
- (3) Adding a provision that requires the Department of Taxation to submit a report to the Legislature on all of the performing arts qualified high technology business tax credits that were transferred to the Department and the total dollar amount of the revenue generated as a result of the buy-back for the previous taxable year;
- (4) Changing the effective date of this measure from July 1, 2020 to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3100 Water, Land, and Agriculture on H.B. No. 2587

The purpose of this measure is to address the declining fish population in Hawaii.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; the Association of Hawaiian Civic Clubs; Erskine Architects, Inc.; the Hawaii Boaters Political Action Association; MLC International LLC; the Ocean Law & Policy Institute of the Pacific Forum CSIS; the Pacific Islands Resource Management Institute; Snorkel Bob's Hawaii; and fifteen individuals. Testimony in opposition to this measure was submitted by one individual. Comments were also submitted by the Department of Land and Natural Resources, the Hawaii Nearshore Fishermen, the Nature Conservancy, and sixteen individuals.

Your Committee finds that state marine resources are declining, and the replenishment and preservation of these resources are vital to the economic, cultural, environmental, health, and social well being of the State. This measure addresses the declining marine resources by:

- (1) Requiring the Department of Land and Natural Resources to assess the effectiveness of the existing no-take marine-managed areas and de facto no-take areas;
- (2) Requiring the Department of Land and Natural Resources to assess, prioritize, and implement effective measures and programs to increase Hawaii's fish population;
- (3) Requiring the Department of Land and Natural Resources to submit an interim report to the Legislature prior to the Regular Session of 2007, and a final report prior to the Regular Session of 2008; and
- (4) Appropriating money to the Department of Land and Natural Resources to conduct the assessments and to add an unspecified number of additional positions to assist in the enforcement of fishing laws.

Your Committee has amended this measure by:

- (1) Adopting the amendment proposed by the Nature Conservancy, which clarifies the intent of this measure; and
- (2) Adopting the amendments suggested by the Association of Hawaiian Civic Clubs to:
 - (a) Specify that ahupua`a management practices should be included as a marine management tool;
 - (b) Stress the importance of federal and state restoration efforts through seasonal closures based on spawning cycles;
 - (c) Clarify that the Department of Land and Natural Resources should establish a standard process to access, prioritize, and implement effective measures to sustain and conserve Hawaii's marine resources; and
 - (d) Provide that the Department of Land and Natural resources will evaluate available scientific information and stakeholder knowledge, including Native Hawaiian cultural beliefs and practices resulting from a long history of use and observation of marine resources and the environment, when developing effective measures and programs.

Your Committee questioned the Association of Hawaiian Civic Clubs regarding defining the term "ahupua`a management practices." The association referred your Committee to a couple of reference materials, including *Native Use of Fish in Hawaii* by Margaret Titcomb; however, your Committee finds that further research is necessary to comprehensively define and properly implement this term in the future.

Your Committee also notes that there are several communities in this State that are currently working on using ahupua`a resource management practices. These communities include Mo`omomi on the island of Molokai, Miloli`i on the island of Hawaii, and Ha`ena on the island of Kauai. Thus, your Committee finds that these communities' suggestions and observations should also be referenced and incorporated when defining the term "ahupua`a management practices."

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2587, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2587, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3101 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.B. No. 3056

The purpose of this measure is to transfer jurisdiction of Kawai Nui Marsh from the City and County of Honolulu to the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Hawaii Audubon Society, and Ho`olaulima la Kawai Nui. Testimony in opposition to this measure was submitted by the Windward Ahupua`a Alliance. Comments were also submitted by the `Ahahui Mālama I Ka Lōkahi and the Kawai Nui Heritage Foundation.

Both the Department of Land and Natural Resources and the City and County of Honolulu's Department of Design and Construction submitted testimony that suggested amendments to this measure. Specifically, your Committees noted that the Department of Land and Natural Resources testified that its expertise and experience lies in wildlife habitat and restoration and management of the natural and cultural resources in the marsh. Thus, the Department of Land and Natural Resources believes that the responsibility to maintain and operate the Kawai Nui Marsh flood control project, which includes the levee and the Oneawa Canal, should remain with the City and County of Honolulu.

However, the City and County of Honolulu in its testimony represents that the legislation enacted sixteen years ago envisioned the entire marsh, including the flood control improvements, would be managed and preserved by the State. The City and County believes that it has made the necessary improvements to the flood control measures in the marsh, and the federal government, including both the U.S. Fish and Wildlife Service and the U.S. Army Corp. of Engineers, is prepared to work with the State. Thus, the City and County believes that further maintenance and operation of flood control measures is not the City and County's long-term responsibility; however, the City and County also states that it is willing to continue maintaining the Kawai Nui Marsh flood control project under an agreement with the State.

Your Committees find that Act 314, Session Laws of Hawaii 1990, directed the transfer of a parcel from the City and County of Honolulu to the State. That parcel encompassed the bulk of Kawai Nui Marsh. However, there are portions of the wetland ecosystem at the Kawai Nui Marsh that the City and County of Honolulu and the State own separately.

Your Committees find that this "shared" ownership approach, by both the State and the City and County of Honolulu, has led to disputes over their respective management responsibilities of Kawai Nui Marsh. Your Committees further find that these disputes have delayed restoration and rehabilitation of the marsh, jeopardizing its native wildlife population and overall well being. This measure:

- (1) Transfers all of the City and County of Honolulu's portion of Kawai Nui Marsh and the Oneawa canal widening project to the State;
- (2) Provides that the State and the City and County of Honolulu may enter into an agreement for maintenance or operations of Kawai Nui Marsh;
- (3) Clarifies that the State has an easement in perpetuity over the transferred parcels to allow the Department of Land and Natural Resources to manage the Kawai Nui Marsh;
- (4) Requires the land transfer to be completed by September 1, 2006; and
- (5) Makes an appropriation for the Department of Land and Natural Resources to maintain the Kawai Nui Marsh.

Your Committees note that under section 46-1.5, Hawaii Revised Statutes (HRS), the county has the general power to use appropriate measures to protect the general public against floods and flood water. Under section 46-11.5, HRS, counties are specifically tasked with the maintenance of, among other things, drainageways. However, section 46-11.5 has a caveat that precludes the counties from maintaining those drainageways that are privately owned or owned by the State.

Currently, the Department of Land and Natural Resources would like the City and County of Honolulu to be tasked with flood control and prevention, and the Kawai Nui Marsh is a drainageway that may be entirely owned by the State. Based on this, your Committees finds that a better understanding of these two sections is necessary to determine appropriate responsibilities over the marsh. Your Committees believe that the responsibilities that this measure distributes need to be clear and concise, as all interested parties will look to it for guidance in the future.

Your Committees have amended this measure by inserting the effective date of July 1, 2050 to ensure further discussion on the issues noted above.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3056, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3056, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Fukunaga, Inouye, Nishihara).

SCRep. 3102 (Joint) Water, Land, and Agriculture and Transportation and Government Operations on H.B. No. 1880

The purpose of this measure is to change the boundaries of the Kakaako Community Development District by deleting the areas comprising of piers 1 and 2 and the contiguous backup fast lands that serve as a foreign cargo container yard and transferring the lands to the Department of Transportation and the foreign trade zone division of Department of Business, Economic Development, and Tourism.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Transportation; the Hawaii Community Development Authority; Alexander & Baldwin, Inc.; the Chamber of Commerce of Hawaii; the Hawaii Harbor Users Group; Maritime Consultants of the Pacific; Matson Navigation Company, Inc.; and Young Brothers, Limited.

Your Committees find that the foreign cargo container yard capacity will be exhausted within five years. The area used for foreign cargo containers was already reduced with the development of the passenger cruise ship terminal as part of pier 2. However, it was brought to the attention of your Committees that the area that is being deleted from the Kakaako Community Development District to be transferred to the Department of Transportation also contains the foreign-trade zone under the direction of the Department of Business, Economic Development, and Tourism.

Accordingly, your Committees have amended this measure by:

- (1) Directing the Hawaii Community Development Authority to transfer the lands in question to the Department of Land and Natural Resources;
- (2) Directing the Governor to set aside the areas:
 - (A) Presently containing the foreign-trade zone to the Department of Business, Economic Development, and Tourism; and
 - (B) Presently used as pier 1 and 2 and the backup foreign cargo container yard to the Department of Transportation;
- (3) Clarifying the jurisdiction and administrative authority of Department of Business, Economic Development, and Tourism over the lands presently containing the foreign-trade zone; and
- (4) Making technical, nonsubstantive changes for clarity and style.

Your Committees note that regardless of which department or authority has jurisdiction, it is important that the Hawaii Community Development Authority continue providing input into planning and implementing appropriate compatible maritime development in the waterfront area. This input process is essential to the Hawaii Community Development Authority's legislative mandate and is necessary to examine the entire district with a holistic perspective, which includes traffic and infrastructure improvements. These elements are all needed to successfully operate maritime businesses in and around Piers 1 and 2, and it is important for all parties concerned, including the Hawaii Community Development Authority, to continue to focus on long-term solutions both inside and outside of Honolulu Harbor.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1880, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Hee, Hooser, Inouye, Kanno).

SCRep. 3103 (Joint) Water, Land, and Agriculture and Transportation and Government Operations on H.B. No. 2805

The purpose of this measure is to amend Act 8, Special Session Laws of Hawaii 2005, to allow the Hawaii Sustainability Task Force (task force) more time to create its sustainability plan.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism.

Your Committees find that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the task force to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the task force submitted its first report to the Legislature, which indicated that, among other things, the process of creating the 2050 Sustainability Plan should include research and data gathering, community input and outreach, and activities to educate the public. However, these efforts take a significant amount of planning and coordination. Thus, this measure amends Act 8 by:

- (1) Extending the task force's deadline by one year to complete the 2050 Sustainability Plan; and
- (2) Extending the task force's authority to June 30, 2008.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2805, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Hee, Hooser, Inouye, Kanno).

SCRep. 3104 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on H.B. No. 2177

The purpose of this measure is to propose an amendment to Article VII, Section 12 of the Hawaii State Constitution to authorize special purpose revenue bonds to assist agricultural businesses on important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, and the Land Use Research Foundation of Hawaii.

Your Committees find that Hawaii's agriculture industry has the ability to be globally competitive in developing high-value products that take advantage of Hawaii's brand identity. Your Committees further find that encouraging agricultural development will pay not only financial dividends to the State, but environmental and social dividends as well. This measure proposes an amendment to Article VII, Section 12 of the Hawaii State Constitution, authorizing the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural businesses operating on important agricultural lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2177, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3105 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on H.B. No. 2248

The purpose of this measure is to appropriate funds to the Kikala-Keokea housing revolving fund.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii and the Office of Hawaiian Affairs.

Your Committees find that Act 314, Session Laws of Hawaii (SLH) 1991, as amended, authorized the Department of Land and Natural Resources to negotiate long-term leases with displaced families from Kalapana on ceded lands in the Kikala-Keokea homestead area. Act 314 was enacted to assist those displaced by the continuing lava flows from Kilauea, which began in 1983 and led to the eventual destruction of Kalapana in 1991.

Your Committees further find that pursuant to Act 144, SLH 2001, the Legislature established:

- (1) The infrastructure development fund to fund the construction of roads, water lines, and other infrastructure; and
- (2) The Kikala-Keokea housing revolving fund to provide low-interest loans to Kikala-Keokea lessees for residential construction.

Your Committees believe that it is time to initiate the final step in this endeavor by appropriating the necessary funding to allow the disadvantaged survivors of the destructive lava flows at Kalapana to end their displacement and to begin construction on their own homes.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2248, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2248, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 3106 Water, Land, and Agriculture on H.B. No. 2771

The purpose of this measure is to appropriate funds for the planning of an agricultural park in Royal Kunia on the island of Oahu.

Testimony in support of this measure was submitted by the Department of Agriculture, the City and County of Honolulu's Department of Planning and Permitting, C&H Farms, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau Federation.

Your Committee finds that a one hundred and fifty acre buffer area was recently dedicated to the State to separate the existing and future Royal Kunia residential development and activities on agricultural lands mauka of the residential development. As the next appropriate step, your Committee finds that a master plan is necessary for the proper and expeditious development of this land into an agricultural park.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the appropriation for your Committee on Ways and Means to determine at a later date;
- (2) Inserting an effective date of July 1, 2050 to ensure further discussion on this matter; and
- (3) Making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2771, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2771, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3107 Water, Land, and Agriculture on H.B. No. 2179

The purpose of this measure is to provide money and incentives for repairs to irrigation systems statewide.

Specifically, this measure:

- (1) Establishes the irrigation repair and maintenance special fund;
- (2) Allows grants from the irrigation repair and maintenance special fund to private irrigation system owners who provide matching funds equal to the amount received from the special fund; provided that the lands served by the irrigation system is dedicated to diversified agriculture;
- (3) Defines “diversified agriculture”;
- (4) Provides an income tax credit equal to the amount that the irrigation system owner provided in obtaining funding from the irrigation repair and maintenance special fund;
- (5) Authorizes the issuance of general obligation bonds in the sum of \$30,000,000 and appropriates the same amount to be deposited into the irrigation repair and maintenance special fund; provided that \$50,000,000 in federal matching funds are also deposited into the irrigation repair and maintenance special fund; and
- (6) Makes an \$11,886,000 appropriation for the repair and maintenance of certain irrigation systems and an unspecified sum for the administrative costs.

Testimony in support of this measure was submitted by the Department of Agriculture; the Agribusiness Development Corporation; the Department of Taxation; the University of Hawaii’s College of Tropical Agriculture and Human Resources; Alexander & Baldwin, Inc.; C&H Farms; Castle & Cooke Hawaii; East Kauai Water Users’ Cooperative; the Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; the Land Use Foundation of Hawaii; and the Maui County Farm Bureau. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and the City and County of Honolulu’s Department of Planning and Permitting. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds that the agricultural industry is an important component of the State’s economic and social well-being. This measure provides some of the necessary money and incentives needed to begin repairs and maintenance on irrigation systems statewide.

Your Committee has amended this measure by:

- (1) Naming the Wahiawa Reservoir and ditch system as a specific system that may receive money from the irrigation repair and maintenance special fund;
- (2) Amending the definition of “diversified agriculture” to include, rather than exclude, sugarcane and pineapple agricultural operations;
- (3) Requiring that a “majority of all lands served by the water produced by the irrigation system be designated as important agricultural lands,” rather than “all land within two miles of the water produced by the irrigation system be designated as important agricultural lands,” for requesting funding assistance; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2179, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3108 Water, Land, and Agriculture on H.B. No. 2974

The purpose of this measure is to provide the State with more time to acquire land in the South Kona Wilderness Area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Nature Conservancy of Hawaii, and the Trust for Public Land.

This measure extends the length of time allowed to acquire the lands that are designated to become part of the South Kona Wilderness Park on the island of Hawaii. Your Committee finds that there are significant archeological sites and native plants and animals within the proposed wilderness area and that an extension of time to acquire more land to be included in the South Kona Wilderness Park is appropriate.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2974, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3109 Water, Land, and Agriculture on H.B. No. 2178

The purpose of this measure is to authorize special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure, which directly benefit and serve important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by Earthjustice.

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

Your Committee has amended this measure by:

- (1) Replacing all references to "agricultural enterprises that construct or renovate irrigation systems or infrastructure that directly benefit and serve important agricultural lands" with "agricultural businesses operating on important agricultural lands" so that the terms in this measure are consistent with the terms in related constitutional amendments;
- (2) Adding a provision that requests the Revisor of Statutes to substitute the appropriate section numbers for the letters used in designating the new sections; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2178, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2178, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3110 Water, Land, and Agriculture on H.B. No. 2803

The purpose of this measure is to provide a conveyance tax exemption for any document or instrument conveying real property from a testamentary trust to an entity owned by the trust for the purpose of distributing interests in the entity to beneficiaries under the trust.

Testimony in support of this measure was submitted by the Hawaii Bankers Association, the Land Use Research Foundation of Hawaii, and two individuals. Comments were also submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the current law exempts the conveyance of real property from a testamentary trust to a beneficiary of the trust from the conveyance tax. However, the conveyance tax exemption is not applicable if the real property is transferred from the testamentary trust to another entity, even if the beneficiaries of the trust own the entity. This measure provides that any document or instrument conveying real property from a testamentary trust to an entity owned by the trust for the purpose of distributing interests in the entity to beneficiaries under the trust will also be exempt from the conveyance tax.

Your Committee has amended this measure by changing the effective date of the Act to July 1, 2050 to allow further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2803, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2803, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3111 Water, Land, and Agriculture on H.B. No. 2271

The purpose of this measure is to provide the Board of Agriculture full authority to manage, develop, and dispose of non-agricultural park lands.

Testimony in support of this measure was submitted by the Department of Agriculture; Hawaiian Sunshine Nursery, Inc.; the Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; Quality Turfgrass; and the Waimanalo Agricultural Association. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that in 2003, Chapter 166E, Hawaii Revised Statutes (HRS), was enacted to transfer the management of certain agriculturally classified public lands from the Department of Land and Natural Resources to the Department of Agriculture. Currently, the Department of Agriculture is in the process of adopting rules to implement this program.

However, your Committee further finds that the Department of Agriculture believes that Chapter 166E, HRS, fails to provide the parameters of its powers necessary to properly manage transferred non-agricultural park lands. Accordingly, this measure provides the Department of Agriculture with the authority to properly manage, develop, and dispose of non-agricultural park lands.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2271, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2271, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3112 Water, Land, and Agriculture on H.B. No. 2555

The purpose of this measure is to prohibit any agency from selling fee interest in public lands in the Kakaako community development district and authorizes the issuance of revenue bonds for approved plans in the Kakaako community development district.

Testimony in support of this measure was submitted by thirteen individuals. Testimony in opposition to this measure was submitted by the Hawaii Community Development Authority. Comments were submitted by Friends of Kewalo Basin Park Association; Save Our Kaka'ako Coalition; Windstar Foundation, Honolulu; and seventeen individuals.

Your Committee finds that clarification of all state agencies' power to sell fee interests in public lands is necessary and that the issuance of revenue bonds may be necessary to implement approved plans for portions of the Kakaako community development district, as long as the bonds are only issued if income from the project is insufficient to cover the project costs and there is a shortfall and the development does not include residential dwellings makai of the subject area.

However, after hearing all of the public testimony and after careful consideration, your Committee has amended this measure by:

- (1) Narrowing the prohibition on selling state land within the Kakaako community development district to restrict only the Hawaii Community Development Authority, ensuring that the amendments made to this measure fits within its title;
- (2) Deleting the authorization of revenue bonds; and
- (3) Changing the effective date of this measure to July 1, 2020 to ensure further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2555, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3113 Water, Land, and Agriculture on H.B. No. 2132

The purpose of this measure is to appropriate funds to the Department of Land and Natural Resources to purchase real property beneath Lake Wilson to ensure that the Wahiawa dam is properly maintained and to explore future recreational uses for Lake Wilson.

Testimony in support of this measure was submitted by Dole Food Company, Inc. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. Comments on the measure were also submitted by the Department of Agriculture.

Your Committee finds that the land beneath Lake Wilson in Wahiawa, Oahu is currently owned by the Galbraith Trust and a subsidiary of Dole Food Company, Inc. Your Committee further finds that the trust will terminate in April 2007, and the sole trustee

intends to sell its land beneath Lake Wilson. Currently, Dole Food Company, Inc. leases a portion of a parcel owned by the trust that contains one-half of the Wahiawa Dam. This lease will also be terminated upon the trust's dissolution. Therefore, with the change of ownership imminent, concerns have arisen regarding the continued structural integrity and maintenance of the Wahiawa Dam as well as the possible future usage of Lake Wilson. This measure will appropriate funds for the acquisition of the land underneath Lake Wilson and appurtenant lands in Wahiawa to ensure that the dam will be safe and properly maintained and the potential for recreational uses of Lake Wilson may be explored.

Your Committee notes that this measure proposes to purchase the land with general funds. This choice in funding prompted your Committee to inquire whether the acquisition of the property should be accomplished through the use of revenue bonds and whether the Agribusiness Development Corporation of the Department of Agriculture is the more appropriate agency to acquire the property. The Department of Agriculture submitted responses to your Committee's inquiries indicating that revenue bonds are not an appropriate source of funding. Further, the Department of Agriculture indicated that the Agribusiness Development Corporation is also not the appropriate agency to acquire the property because Lake Wilson is used for not only agricultural purposes but also for recreational purposes, which is outside of its jurisdiction. For all of these reasons, your Committee believes that further discussion on the matter is necessary.

Accordingly, your Committee has amended this measure by changing the effective date of the Act to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2132, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3114 Water, Land, and Agriculture on H.B. No. 2400

The purpose of this measure is to make an emergency appropriation of \$1,600,000 for fiscal year 2005-2006 to assist in the purchase and preservation of Waimea Valley on the island of Oahu.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Conservation Council for Hawai'i, Na Leo Pohai, Save Waimea Valley Coalition, the Sierra Club-Hawaii Chapter, the Trust for Public Land, the Windward Ahupua'a Alliance, and seven individuals.

Your Committee finds that Waimea Valley is one of the few remaining intact ahupua'a on the island of Oahu and remains a rich and sacred cultural, historic, and aesthetic resource for the entire State. This measure makes an emergency appropriation for the State to contribute money toward the purchase of Waimea Valley.

Your Committee noted testimony from the Department of Land and Natural Resources indicating that the State is not the sole purchaser of the valley. Rather, a consortium of nonprofit and government entities will provide funding to purchase the valley. Those parties include the United States Army, the Office of Hawaiian Affairs, the Department of Land and Natural Resources, the City and County of Honolulu, and the National Audubon Society.

Your Committee questioned the Department of Land and Natural Resources on whether this "agreement" between all of the purchasers was reduced to writing. The department indicated, and the Office of Hawaiian Affairs concurred, that the "agreement" is stipulated in a court order, as part of the settlement for the condemnation proceedings. Your Committee has requested the department to provide a copy of the court's order to your Committee on Ways and Means for further review.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2400, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3115 (Joint) Water, Land, and Agriculture and Business and Economic Development on H.B. No. 2878

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Tradewinds Forest Products, LLC with planning, design, constructing, and equipping a veneer mill and cogeneration facility.

Testimony in support of this measure was submitted by the Hawaii Forest Industry Association, Tradewinds Forest Products, and one individual. Comments were submitted by the Department of Budget and Finance.

Your Committees find that a new eucalyptus wood veneer manufacturing facility would have numerous benefits to Hawaii's economy. Those benefits include:

- (1) Stimulating economic development and job growth;
- (2) Expanding the State's promising forest products industry; and

- (3) Producing non-petroleum-based electric power for public consumption from local renewable resources, helping the State to meet renewable energy goals.

This measure authorizes the issuance of special purpose revenue bonds to Tradewinds Forest Products, LLC to:

- (1) Establish a veneer mill and an associated cogeneration plant; and
- (2) Finance the planning, design, and construction costs for the facility.

Your Committees determine that in order to ensure further discussion on the matter, the effective date of the Act should continue to remain July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2878, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Menor, Hemmings, Trimble).

SCRep. 3116 (Joint) Media, Arts, Science and Technology and Commerce, Consumer Protection and Housing on H.B. No. 2535

The purpose of this measure is to deter internet fraud by amending section 708-893, Hawaii Revised Statutes, use of a computer in the commission of a separate crime, to include:

- (1) The additional state of mind of “intentionally” when a person uses a computer to obtain control over the property of another; and
- (2) The offenses of Theft in the First Degree and Theft in the Second Degree among the offenses that can constitute an element of the crime.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; the Honolulu Police Department; and the Department of the Prosecuting Attorney, County of Maui. The Office of the Public Defender submitted testimony in opposition to this measure.

The use of a computer to commit theft is a growing problem in Hawaii and the number of crimes that are perpetrated via the Internet is increasing. The use of a computer as an instrument of the crime offers the perpetrator relative anonymity, a quick and easy mechanism to commit fraud, and the potential for sizable financial gain. According to the Federal Trade Commission (FTC), Hawaii ranks fifth in the nation in internet fraud complaints per capita.

Although Hawaii has statutes relating to computer fraud, these statutes are inadequate for the purposes of prosecuting internet fraud. Under section 708-891, Hawaii Revised Statutes, a person commits the crime of computer fraud in the first degree if that person accesses a computer without permission and obtains control over the property of another. This statute is difficult to use to prosecute internet fraud because it requires proof that the suspect’s use of the computer was “without permission.” Lack of permission is difficult to prove in internet fraud cases where criminals use their own computers to commit crimes because these criminals have permission to use their own computers.

Your Committees find that amending section 708-893, Hawaii Revised Statutes, relating to the use of a computer in the commission of a separate crime to include persons who use a computer to commit theft will enable law enforcement to respond more efficiently to computer crime in its various forms. Furthermore, maintaining the highest level of scienter in proof of the new offense preserves the rights of the accused.

Your Committees have amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2535, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2535, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (English).

SCRep. 3117 Water, Land, and Agriculture on H.B. No. 2774

The purpose of this measure is to appropriate funds for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa; Alexander & Baldwin, Inc.; C&H Farms; Crop Care Hawaii, LLC; Gay & Robinson, Inc.; the Hawaii Agriculture Research Center; the Hawaiian Alliance for Responsible Technology & Science; the Hawaii Aquaculture Association; the Hawaii Cooperative of Organic Farmers; the Hawaii Crop Improvement Association; Hawaii Farm

Bureau Federation; the Hawaii Papaya Industry Association; Kamiya Gold, Inc.; the Maui County Farm Bureau; Meadow Gold Dairies; the Pineapple Growers Association of Hawaii; Pioneer Hi-Bred International, Inc.; Twin Bridge Farms; and one individual.

Your Committee finds that, although the agriculture industry plays a significant role in Hawaii's economy by providing a stage for tourism, employment opportunities for residents, and products for export, the demise of plantations has left the industry lagging. Your Committee further finds that the absence of pineapple and sugar plantations has resulted in thousands of acres lying fallow, while recent studies indicate that the land could be utilized for agricultural ventures to add an additional \$1,700,000,000 to \$4,400,000,000 to the State's economy.

Your Committee believes that a diversified agriculture industry within the State is necessary to maximize the opportunities available for prime agricultural farmlands, to strengthen and improve the agriculture industry, to revitalize the economy, and to expand employment opportunities for our residents. Creating a more diversified agriculture industry requires the joint and concerted efforts of key organizations and entities throughout the State, as well as financial support from the State, to conduct agricultural research and market development. Your Committee determines that the Hawaii Farm Bureau Federation represents the interests of the agriculture industry in Hawaii and is an appropriate entity to oversee the research and market development that is necessary for improving Hawaii's agriculture industry.

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

Your Committee strongly encourages the Hawaii Farm Bureau Federation to share the research money with all areas of diversified agriculture, including the organic agricultural industry. Your Committee also requests the bureau to report back to the Legislature on how the research money was distributed among all industry parties.

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

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3118 (Joint) Tourism and Water, Land, and Agriculture on H.B. No. 1928

The purpose of this measure is to permit renegotiations of hotel and resort leases and dispositions of public lands by lease negotiations for agricultural purposes.

Testimony in support of this measure was submitted by the High Technology Development Corporation; the Hawaii Government Employees Association; Friends of Kewalo Park; and seventeen individuals. Testimony in opposition was received from the University of Hawaii – West Oahu; University of Hawaii System; Housing and Community Development Corporation of Hawaii; Hawaii Community Development Authority; West Oahu Economic Development Association; Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34; and fourteen individuals. Comments were received from the Agribusiness Development Corporation.

Your Committees have amended this measure by replacing the contents of this measure with substantially the same contents of S.B. No. 2476, S.D.2. This measure, as amended, requires that the sale or exchange of any land that the Agribusiness Development Corporation, High Technology Development Corporation, and the Hawaii Public Housing Administration, hold title to is subject to legislative approval by concurrent resolution.

This measure further requires legislative approval by concurrent resolution for any sale, exchange, or similar disposition of land to which the Hawaii Community Development Authority and the University of Hawaii hold title. This measure, unlike S.B. No. 2476, S.D.2, does not contain provisions that require legislative approvals for leases of land to which the Hawaii Community Development Authority and the University of Hawaii hold title.

Your Committees find that this measure would facilitate open communications between state agencies and the Legislature, including advance notice to the Legislature on contemplated alienation of public lands. Your Committees abhor "overnight decisions" on such valuable public assets. Your Committees are cognizant of the arguments that the legislative process slows the process; however, your Committees prefer that the sale of public lands occur with greater deliberation and transparency.

Your Committees have amended the proposed measure by:

- (1) Deleting "loan" in reference to "reserved housing loan program" and exempting properties of under one acre in size from legislative approval under the Hawaii Community Development Authority; and
- (2) Making sections 4 and 7 effective on December 31, 2006.

As affirmed by the records of votes of the members of your Committees on Tourism and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1928, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1928, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Hee, Nishihara).

SCRep. 3119 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on H.B. No. 1871

The purpose of this measure is to protect Hawaii consumers who are victims of identity theft by allowing them to place a security freeze on their credit reports.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Department of the Prosecuting Attorney, City and County of Honolulu; the Honolulu Police Department; the Hawaii Financial Services Association; the Consumer Data Industry Association; the American Association of Retired Persons (AARP) Hawaii; State Farm Insurance Company; and the Retail Merchants of Hawaii.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force. In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.

One common form of identity theft occurs when a person steals a consumer's identity and opens up new lines of credit in that consumer's name. Consumers will have better control over their own identities and credit if they are allowed to "freeze" the release of their credit history by credit reporting agencies until matters are resolved to their satisfaction. This type of security freeze will prohibit a credit reporting agency from releasing any information without the consumer's express authorization and will remain in effect until the consumer takes steps to remove it.

Your Committees find that a security freeze is considered one of the few ways to virtually guarantee that a thief cannot open an account in an innocent party's own name. With the freeze on, if someone applies for credit in a consumer's name, the creditor will be unable to check the consumer's history, and the applicant will be rejected; thus, the consumer's credit will be safe.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 2289, S.D. 2, which also provides for a security freeze, and additionally provides a monetary damages penalty provision in addition to the provision that allows for a cause of action under section 480-2, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1871, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1871, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (English).

SCRep. 3120 Commerce, Consumer Protection and Housing on H.B. No. 1796

The purpose of this measure is to require, in counties having a population of two hundred thousand or less, the publication of a power of sale foreclosure notice in the newspaper with the largest general circulation published in the county where the mortgaged property is located.

Testimony in support of this measure was submitted to your Committee by the Hawaii Association of Realtors. No testimony in opposition to this measure was received by your Committee. Comments were received from the Hawaii Financial Services Association.

Your Committee finds that requiring a notice of foreclosure is very important because this notice protects property owners who can take steps to work out solutions with their lenders, seek bankruptcy protection, or make other arrangements to preserve their ownership rights. Notice in a widely circulated publication also keeps neighbors and the public informed about events and matters relevant to their community.

One technical, non-substantive conforming amendment was made to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3121 Commerce, Consumer Protection and Housing on H.B. No. 2440

The purpose of this measure is to enact the Uniform Athlete Agents Act in order to protect student-athletes and educational institutions from potential harm and unethical practices of athlete agents.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Commission to Promote Uniform Legislation, the University of Hawaii, the University of Hawaii at Manoa Athletic Department, and the University of Hawaii at Hilo Athletic Department. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committee finds that this measure requires further discussion and has not amended the July 1, 2020 effective date.

Your Committee has made technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2440, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2440, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3122 Commerce, Consumer Protection and Housing on H.B. No. 1800

The purpose of this measure is to increase the amount of tax withheld on the disposition of real property in Hawaii by non-resident persons.

Testimony in support of this measure was submitted by Niwao & Roberts, Certified Public Accountants, A Professional Corporation; and the Hawaii Association of Public Accountants. Testimony in opposition to this measure was submitted by the Hawaii Association of Realtors. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure requires further discussion and has passed it out unamended, retaining the effective date of July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3123 Commerce, Consumer Protection and Housing on H.B. No. 649

The purpose of this measure is to enhance the criminal penalties applied to individuals who commit insurance fraud by including felony insurance fraud as one of the felony violations that can increase the sentences of repeat felony offenders.

Testimony in support of this measure was submitted by the Insurance Commissioner, Department of Commerce and Consumer Affairs; the Department of the Attorney General; the Department of the Prosecuting Attorney, County of Maui; and the Honolulu Police Department. No testimony in opposition was received by your Committee.

Insurance fraud is often perceived as a non-violent and victimless crime. However, the effects of insurance fraud impacts everyone through the higher insurance premiums for citizens and public and private employers. Your Committee finds that this measure will apply appropriate penalties to repeat offenders who commit the crime of insurance fraud.

Your Committee has adopted the technical, non-substantive amendments proposed by the Department of the Attorney General for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 649, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 649, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3124 Commerce, Consumer Protection and Housing on H.B. No. 2315

The purpose of this measure is to comprehensively amend and update the Code of Financial Institutions to reduce regulatory burden, recognize changes in the industry, provide flexible regulation, and protect consumers.

Testimony in support of this measure was submitted by the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs and Hawaii Bankers Association. No testimony in opposition to this measure was submitted to your Committee.

Your Committee finds that the amendments proposed in this measure will result in reducing regulatory burden by eliminating obsolete requirements and improving the procedures for the licensing of financial institutions.

Technical, non-substantive amendments were made to this measure for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2315, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3125 (Joint) Health and Judiciary and Hawaiian Affairs on H.B. No. 2039

The purpose of this measure is to eliminate the threat to public health posed by toxic chemicals left behind by illegal drug manufacturing by directing the Department of Health to develop procedures and guidelines for emergency and long-term decontamination and clean-up of illegal methamphetamine manufacturing sites.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Public Safety, City and County of Honolulu Police Department, a member of the Hawaii County Council, the Mililani Town Anti-Drug Committee, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, the American Industrial Hygiene Association, Hawaii section, and two individuals.

Your Committees find that prompt, safe, and efficient decontamination of illegal methamphetamine manufacturing sites is necessary to enable individuals to safely re-occupy these premises.

Your Committees have amended this measure in response to the concerns of the Department of Health by including a sunset provision limiting the Chapter 91 exemption to allow the department to adopt interim rules. Your Committees further amended this measure by replacing the defective effective date with July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2039, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2039, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, none.

SCRep. 3126 Health on H.B. No. 2187

The purpose of this measure is to appropriate funds to the Department of Health to contract with a government agency or United States military branch to provide intra-island only roto-wing emergency aeromedical helicopter services for rural Oahu.

The Department of Health, the City and County of Honolulu Emergency Services Department, the Waianae Coast Comprehensive Health Center, Pacific Medical Assets Inc., The Queen's Medical Center, and one individual submitted testimony in support of this measure. The Attorney General submitted comments.

Your Committee finds that an imminent need exists for the provision of helicopter medical transport services for rural Oahu. The United States Army's 68th Medical Company's Medical Assistance to Safety and Traffic helicopters can no longer provide this assistance because of their service to our country overseas. This measure appropriates funds to provide intra-island emergency aeromedical services to rural Oahu.

Your Committee urges the Department of Health to continue exploring ways to provide Kauai County with much needed emergency aeromedical helicopter services.

Your Committee has amended this measure by:

- (1) Deleting the reference to a "grant-in-aid"; and
- (2) Deleting any reference to a specific appropriation amount.

Your Committee has further amended this measure to be consistent with the other counties' cost-share funding provisions for emergency aeromedical services, by providing that the State and City and County of Honolulu shall cost-share, with each to pay one-half of the cost to contract for the provision of intra-island roto-wing aeromedical services.

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. 2187, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2187, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3127 Commerce, Consumer Protection and Housing on H.B. No. 1417

The purpose of this measure is to require the filing of a certificate of merit with any complaint filed against a design professional, as well as require the filing of a preliminary expert opinion with restrictions on discovery.

Testimony in support of this measure was submitted by Environet, Inc.; Masa Fujioka & Associates; The Limitiaco Consulting Group; Engineering Solutions, Inc.; Cedric D.O. Chong & Associates, Incorporated; ControlPoint Surveying, Inc.; Miyasato Kuniyoshi Engineers LLC; the American Institute of Architects Hawaii State Council; the American Council of Engineering Companies of Hawaii; and the Coalition of Hawaii Engineering and Architectural Professionals. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services, Consumer Lawyers of Hawaii, and one individual.

Your Committee finds that claims against design professionals were protected by a certificate of consultation screening process under the Design Professional Panel Law that was repealed as part of the Right to Repair Law enacted in 2004. This measure would reinstate the requirement of a certificate of consultation to discourage the filing of frivolous claims. Both those in support and in opposition to the measure agree that the procedure for certificates of consultation used by the Medical Claims Collection Panel is proven and effective in screening frivolous claims.

Your Committee further finds that matters relating to expert opinions and discovery are subject to existing court rules and are best addressed by the courts at this time.

Your Committee has amended this measure by:

- (1) Requiring the filing of a certificate of consultation during a procedure based upon the procedure used by the Medical Claims Conciliation Panel;
- (2) Deleting provisions relating to the filing of a certificate of merit with a complaint filed against a design professional; and
- (3) Deleting provisions related to the filing of expert opinions and discovery.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1417, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1417, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3128 Commerce, Consumer Protection and Housing on H.B. No. 2368

The purpose of this measure is to repeal the sunset date of the expedited public housing eviction process and to exempt certain households from the expedited process.

Testimony in support of repeal of the sunset date was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH). Testimony in support of retaining the sunset date was submitted by six individuals. The HCDCH and the Department of the Attorney General opposed exempting families with minor dependents, disabled individuals, and individuals of age sixty-five or older from the expedited process.

Your Committee finds that the HCDCH has been cited by the U.S. Department of Housing and Urban Development (HUD) for its high level of rent delinquencies and protracted rent collection procedures for public housing, but that HUD appreciates the reforms of the process enacted by the Legislature in 2002 through Act 227. Your Committee further finds that creating exemptions from the expedited eviction process, as proposed by this measure, would discriminate against protected classes of individuals, in violation of federal law and in conflict with state law. Nevertheless, your Committee finds that some public housing tenants, because of their national origin and limited proficiency in the English language, do not or cannot avail themselves of free legal services. These tenants would benefit from intervention counseling to better prepare themselves to avoid, or if necessary participate in, the eviction process.

Accordingly, your Committee has amended this measure to:

- (1) Delete the exemption of families with minor dependents, disabled individuals, and individuals of age sixty-five or older from the expedited eviction process;
- (2) Establish and fund two full-time resident services program specialist positions in the Hawaii Public Housing Authority to provide intervention counseling services to public housing tenants to ensure that they understand the process, deadlines, remedies, and consequences of eviction from public housing; and
- (3) Change the effective date to July 1, 2050, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2368, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3129 Commerce, Consumer Protection and Housing on H.B. No. 1977

The purpose of this measure is to establish procedures for the creation of annuities used as settlement proceeds in structured settlements.

Testimony in support of this measure was submitted by the National Association of Settlement Purchasers and Ringler Associates. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that forty-three states currently have structured settlement protection statutes similar to this measure. Your Committee further finds that this measure is intended to protect settlement recipients and other parties to structured settlements.

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

- (1) Allowing an application for approval of a transfer of a structured settlement payment right to be brought in any court or before any responsible administrative authority meeting specific requirements. This amendment was proposed by the National Association of Settlement Purchasers and Ringler Associates as a measure that would benefit recipients of structured settlement payments by providing the appropriate court or administrative forum with greater flexibility to consider changed circumstances when considering an application; and
- (2) Amending the process in which a court or administrative authority considers an application by deleting language that made an oral hearing by the court optional. This amendment was proposed by Ringler Associates as a means to afford important protections to a structured settlement recipient and allow the independent assessment of an application by a court or administrative authority through the process of oral hearings.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing 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 and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3130 Commerce, Consumer Protection and Housing on H.B. No. 3118

The purpose of this measure is to allow businesses to incorporate as responsible business corporations. This measure also provides an exemption of a certain percentage of corporate taxes for this type of incorporation as a responsible business corporation.

Testimony in support of this measure was submitted by Inner Ocean Publishing, Inc.; Brilliant Voices; and the Democratic Party of Maui County. Testimony in opposition to this measure was submitted by the Department of Taxation. The Business Registration Division of the Department of Commerce and Consumer Affairs and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that this measure has merit but requires further discussion and, therefore, has not amended the effective date of July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3118, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3131 (Joint) Commerce, Consumer Protection and Housing and Health on H.B. No. 1873

The purpose of this measure is to prohibit the sale or transfer of patient prescription information by pharmacy benefits managers, insurance companies, and retail, mail order, and internet pharmacies.

Testimony in support of this measure was submitted by the Department of Public Safety, IMS Health, Hawaii Alliance for Retired Americans, the Policy Advisory Board for Elder Affairs, and the National Legislative Association on Prescription Drug Prices. Testimony in opposition to this motion was submitted by Pharmaceutical Research and Manufacturers of America. Comments were submitted by the Board of Pharmacy and the Hawaii Medical Service Association.

Your Committees find that, in the interest of privacy, consumers need greater state protections and controls over the sale and transfer of their prescription information. Your Committees further find that this measure seeks to enact protections from the practice of data-mining of patients' prescription information.

Upon further consideration, your Committees have amended this measure by:

- (1) Specifying that the purpose of this measure is to prohibit data-mining of patients' data;

- (2) Including the names of prescribing health care providers as part of identifiable patient data;
- (3) Prohibiting the transfer or sale of identifiable patient data for commercial purpose;
- (4) Defining commercial purpose to include, but not be limited to, advertising, marketing, promotion or any other purpose that could be used to influence sales of pharmaceutical products, influence the prescribing behavior of health care professionals, or evaluate the effectiveness of a professional detailing sales force;
- (5) Excluding from commercial purpose the reimbursement of a pharmacy by the patient's insurance provider or the provider's agent; and
- (6) Excluding from commercial purpose bona fide research and development.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1873, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1873, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hogue, Whalen).

SCRep. 3132 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on H.B. No. 2175

The purpose of this measure is to provide a framework for energy self-sufficiency, focusing on the use of energy efficiency and renewable energy resources in state facilities, vehicles, and equipment, and in public schools. The measure also establishes a renewable energy technologies income tax credit, priority permitting for renewable energy projects at the county level, and a solar water heating "pay as you save" program.

The Department of Business, Economic Development and Tourism, the Department of Accounting and General Services, the Department of Education, the Office of Hawaiian Affairs, the American Institute of Architects Hawaii State Council, Honolulu Seawater Air Conditioning LLC, the Rocky Mountain Institute, the American Chemistry Council, the American Forest and Paper Association, the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company; the Hawaii Energy Policy Forum; The Gas Company, Inter-Island Solar Supply, the Hawaii Association of Realtors, the Hawaii Solar Energy Association, PowerLight Solar Electric Systems, R & R Solar Supply, the Sierra Club Hawaii Chapter, and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure. The Governor, the Department of Commerce and Consumer Affairs, the Department of Taxation, the Public Utilities Commission, the Tax Foundation of Hawaii, the Hawaii Carpenters Union, and Life of the Land submitted comments.

Your Committees find that increased energy efficiency and use of renewable energy resources will decrease Hawaii's dependence upon oil, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development and job creation.

Your Committees amended this measure by:

- (1) Increasing the renewable energy technologies income tax credit for certain solar thermal and photovoltaic energy systems and removing the sunset date for the tax credits;
- (2) Retaining the current renewable energy technologies income tax credits for wind-powered energy systems;
- (3) Adding a lapsing provision to Part II;
- (4) Expanding the energy efficiency standards to include, in addition to the Leadership in Energy and Environmental Design silver standard, the Two Green Globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system; and providing an exception for instances when the guideline, standard, or system interferes or conflicts with the use of the building or facility as an emergency shelter;
- (5) Amending section 36-41, Hawaii Revised Statutes (HRS), to change the term "energy performance contract" to "energy-savings contract" to conform to the changes made to chapter 196, HRS;
- (6) Adding language to clarify that the general obligation bonds are for the purpose of carrying out part III regarding energy efficiency for state facilities, vehicles, and equipment under the control of the Department of Accounting and General Services and under the control of the Department of Education, respectively;
- (7) Adding a Part VI to include the establishment of a Hawaii renewable hydrogen program and hydrogen investment capital special fund and to provide appropriations therefor;
- (8) Defecting the effective date to July 1, 2050, to encourage further discussion; and
- (9) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2175, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2175, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Kokubun, Hogue).

SCRep. 3133 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on H.B. No. 3222

The purpose of this measure is to establish the Hawaii renewable hydrogen program to manage the State's transition to a renewable hydrogen economy; establish the hydrogen investment capital special fund to seed private and federal hydrogen system projects; and appropriate funds for the program and special fund.

The Department of Business, Economic Development and Tourism; the Department of Commerce and Consumer Affairs, the University of Hawaii System, the Office of Hawaiian Affairs, Hawaiian Electric Company, Maui Electric Co., Hawaii Electric Light Co., Rocky Mountain Institute, the Hawaii Energy Policy Forum, and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure. Life of the Land submitted comments.

Your Committees find that Hawaii needs to take immediate, assertive action to stem its dependence on oil. Energy efficiency is one of the most critical components of reducing Hawaii's dependence on oil.

Upon further consideration, your Committees amended this measure by:

- (1) Deleting all of the original provisions;
- (2) Inserting the provisions of S.B. No. 3185 S.D. 2 to:
 - (A) Add four new sections that authorize a surcharge for a public benefits fund, authorize a fund administrator for the fund, enumerate the requirement for the fund administrator, and require the public utilities commission to develop a transition plan from utility demand-side management programs to the public benefits fund;
 - (B) Establish energy efficiency portfolio standards;
 - (C) Add eleven new definitions to the renewable portfolio standards law and amend the definitions of "cost-effective" and "renewable energy";
 - (D) Add a penalty provision to the renewable portfolio standards law;
 - (E) Amend section 269-27.2(c), Hawaii Revised Statutes (HRS), to give the Public Utilities Commission the ability to delink renewables from oil; and
 - (F) Amend section 269-95, HRS, to ensure that the electric utility companies' opportunity to earn a fair rate of return is not diminished; and
- (3) Defecting the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, non-substantive changes for clarity, consistency, and style.

The amended measure addresses substantive changes that are needed to the Renewable Portfolio Standards Law and creates a companion concept, the Energy Efficiency Portfolio Standard.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3222, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3222, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Kokubun, Hogue).

SCRep. 3134 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on H.B. No. 2619

The purpose of this measure is to ensure that electric utility companies are afforded an opportunity to earn a fair rate of return, rather than providing that their profit margins will not decrease as a result of any proposed utility rate-making structure.

The Department of Business, Economic Development, and Tourism; the Public Utilities Commission; the Department of Commerce and Consumer Affairs; the Office of Hawaiian Affairs; Honolulu Seawater Air Conditioning LLC; Hawaiian Electric Company Inc.; Hawaii Electric Light Company; Maui Electric Company; Rocky Mountain Institute; the Hawaii Energy Policy Forum; PowerLight

Solar Electric Systems; the Sierra Club Hawaii Chapter; and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure.

Your Committees find that the State needs to reduce its dependence on petroleum. One way to reduce our dependence on petroleum is to encourage the use of renewable fuels to power aircraft, seacraft, automobiles, and other motorized vehicles.

Your Committees amended this measure by:

- (1) Deleting all of the original provisions;
- (2) Amending section 237-27.1, Hawaii Revised Statutes, to extend the exemption of the proceeds of the sale of alcohol fuels from the general excise tax to December 31, 2009; and
- (3) Defecting the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2619, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2619, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Kokubun, Hogue).

SCRep. 3135 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on H.B. No. 1948

The purpose of this measure is to increase the volume limit of deposit beverage containers from sixty-four to sixty-eight fluid ounces, and require distributors to report container numbers sold and make fee payments on that basis.

The measure also specifies redemption center operating hours, permits calculation of redemption value by container count in certain instances, and allows for the refusal of previously processed and baled containers for refund.

The Department of Health, Sierra Club Hawaii Chapter, Reynolds Recycling, and Windward Ahupua'a Alliance submitted testimony in support of this measure. GMA-the Association of Food, Beverage and Consumer Products Companies and the Hawaii Food Industry Association submitted testimony in opposition.

As noted by Sierra Club Hawaii Chapter, Hawaii's bottle law has proven to be an overwhelming success for Hawaii's environment, with over half a billion bottles and cans being diverted from Hawaii's landfills. The initiative has reduced litter, created employment, and provided fundraising opportunities for schools and charities. Your Committees find that there is no reason why larger containers should not also be included in the deposit beverage container program.

Your Committees agree with Sierra Club Hawaii Chapter that the cumbersome redemption process that many consumers currently complain about can be resolved by requiring dealers to provide redemption to consumers. The dealers can decide whether to subcontract with a certified redemption center to operate on the dealer's premises or provide a reverse vending machine pursuant to section 342G-115, Hawaii Revised Statutes (HRS).

Your Committees amended this measure by:

- (1) Retaining the amendment to the definition of "deposit beverage container" under section 342G-101, HRS, to include a container that is less than or equal to sixty-eight fluid ounces, and deleting all other provisions;
- (2) Deleting the exception from the redemption of empty deposit beverage containers as it applies to dealers in high-density population areas under section 342G-113, HRS,
- (3) Deleting subsection 342G-113(d), HRS, on location of redemption centers for consistency;
- (4) Defecting the effective date to July 1, 2050, to encourage further discussion; and
- (5) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1948, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Kokubun, Hogue).

SCRep. 3136 (Joint/Majority) Transportation and Government Operations and Commerce, Consumer Protection and Housing on H.B. No. 2214

The purpose of this measure is to reduce the \$3 per day rental motor vehicle surcharge tax to \$2 per day.

This measure also clarifies that the retention by the lessor of motor vehicle repair records of the lessee is satisfied by retention by the motor vehicle repair dealer.

Your Committees received testimony in support of this measure from Catrala-Hawaii. Testimony in opposition was received from the Department of Taxation and Department of Transportation. Comments were received from the Tax Foundation of Hawaii.

Enacted by Act 263, Session Laws of Hawaii 1991, the rental motor vehicle surcharge tax was originally \$2 per day. Act 223, Session Laws of Hawaii 1999, temporarily raised this tax to \$3 per day for the period from September 1, 1999, to August 31, 2007. Your Committees are concerned that the \$3 daily surcharge tax on rental motor vehicles could adversely affect Hawaii's competitive image as a fair and attractive tourist destination.

Your Committees find that there was a significant increase in revenues to the state general fund in 2005. This increase is expected to continue through 2007 and probably longer in view of Hawaii's positive tourism outlook. In light of a healthy general fund along with significant increases in revenues to the state highway fund, your Committees believe that it is fair and appropriate to reduce the rental motor vehicle surcharge tax.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2214, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2214, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 6. Noes, 1 (Baker). Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3137 (Joint) Commerce, Consumer Protection and Housing, Human Services and Intergovernmental Affairs on H.B. No. 2066

The purpose of this measure is to require the Hawaii Public Housing Administration to coordinate with the counties to identify locations for temporary emergency shelters for homeless individuals and families. The measure contains an effective date of July 1, 2020, to facilitate further discussion.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH), the Office of Hawaiian Affairs, Solidarity with the Homeless, the Interfaith Alliance Hawaii, A Woman's Voice International, and an individual. The Disability and Communication Access Board and a member of the Maui County Council offered comments.

Your Committees find that this measure addresses the urgent and immediate need to provide temporary emergency shelters for the homeless, while allowing the State, the Counties, and private entities to focus on long-term solutions of permanent supportive housing once the shelter locations are identified.

Your Committees recognize that the State has no jurisdiction over federal lands, but have nevertheless identified former United States Navy lands at Kalaeloa as a potential site for a temporary emergency shelter. Accordingly, your Committees have requested the HCDCH to prepare a cost estimate for acquisition and use of Barbers Point Barracks as temporary housing for homeless families and individuals.

Your Committees have amended this measure to:

- (1) Require the Hawaii Public Housing Administration (HPHA) to actively partner with the counties and monitor their efforts;
- (2) Require the counties to partner with non-profit organizations;
- (3) Require the HPHA to pursue and secure Barbers Point Barracks as temporary housing for the homeless;
- (4) Make an appropriation to the HPHA;
- (5) Insert a sunset date of June 30, 2009; and
- (6) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Human Services and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2066, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2066, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 6 (Inouye, Kim, Kokubun, Nishihara, Sakamoto, Trimble).

SCRep. 3138 Commerce, Consumer Protection and Housing on H.B. No. 2901

The purpose of this measure is to eliminate outdated and duplicative requirements from the garnishment law.

Testimony in support of this measure was submitted by Hawaii Bankers Association and the Collection Law Section of the Hawaii State Bar Association. No testimony in opposition was received by your Committee.

Under section 652-14, Hawaii Revised Statutes, a creditor is required to provide duplicate receipts to a garnishee when a payment is received through the garnishment process, and the garnishee is then required to deliver one of those receipts to the debtor. Your Committee finds that these requirements are outdated and unnecessary because current employment and banking practices sufficiently document payment of funds in the garnishment process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3139 Commerce, Consumer Protection and Housing on H.B. No. 2319

The purpose of this measure is to update and streamline the insurance statutes in conformity with federal law and national standards.

Testimony in support of this measure was submitted by the Insurance Commissioner, State Farm Insurance Companies; and the National Association of Insurance and Financial Advisors Hawaii. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that this measure is in line with the Department of Commerce and Consumer Affairs' continuing efforts to modernize Hawaii's insurance laws, ease insurer filing requirements, and bring Hawaii's insurance laws into conformity with federal law and national standards.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3140 Commerce, Consumer Protection and Housing on H.B. No. 2877

The purpose of this measure is to suspend the collection of the general excise tax on motor vehicle gasoline for two years.

Testimony in support of this measure was submitted by Aloha Petroleum, Ltd.; Akana Petroleum Inc.; the Hawaii Transportation Association; and two concerned individuals. No testimony in opposition to this measure was received by your Committee. Comments were submitted by the Department of Business, Economic Development and Tourism; the Department of Taxation; Oahu Ethanol Corporation; and the Tax Foundation of Hawaii.

Your Committee is in agreement with the Department of Business, Economic Development and Tourism and finds that a better approach to provide assistance to the people of Hawaii is to extend an excise tax exemption for gasoline blended with alcohol fuel for an additional three years, to the end of 2009. Your Committee further finds that this tax exemption should be extended to diesel fuel.

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

- (1) Deleting the original provisions related to a suspension of the collection of the general excise tax on motor vehicle gasoline;
- (2) Providing for a tax exemption for gasoline blended with alcohol fuel by extending the date of repeal in Section 237-27.1, Hawaii Revised Statutes, to December 31, 2009; and
- (3) Applying this tax exemption to diesel fuel.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2877, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2877, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3141 Commerce, Consumer Protection and Housing on H.B. No. 105

The purpose of this measure is to prohibit tenants or their guests from possessing dangerous, harmful, or detrimental drugs in a dwelling unit or on surrounding premises. A summary proceeding for possession (eviction) is authorized for violation of the prohibition.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu, and by the Hawaii Association of Realtors.

Your Committee finds that this measure is necessary to address the very serious problem caused for landlords and neighbors by the escalation of illegal drug use in our communities.

Your Committee has amended the measure for greater effect and closer harmony with the Hawaii Penal Code by replacing:

- (1) Amendment of sections 521-52 and 521-72, Hawaii Revised Statutes, relating to a landlord's remedies for improper use of a premises, with amendment of sections 521-51 and 521-69, relating to a landlord's remedies for unlawful use;
- (2) Reference to "unlawful possession" with reference to the broader offense of promoting dangerous, harmful, or detrimental drugs; and
- (3) Reference to "any written notice or report regarding" with reference to "charged with or convicted of" a drug offense.

Your Committee has also changed the effective date of the measure to read July 1, 2050, for purposes of further discussion, and has made technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 105, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3142 Commerce, Consumer Protection and Housing on H.B. No. 2287

The purpose of this measure is to streamline the license suspension process initiated by the Child Support Enforcement Agency for failure to comply with an order of support, or a subpoena or warrant relating to a paternity or child support proceeding.

Testimony in support of this measure was submitted by the Department of the Attorney General. No testimony in opposition was received by your Committee.

Currently, section 576D-13, Hawaii Revised Statutes, requires the Child Support Enforcement Agency to reinstate the license suspension process from the beginning each time an obligor becomes delinquent on a repayment agreement that the obligor has entered into as a result of a prior license suspension action. Your Committee finds that this process is duplicative and causes delay in processing obligors for license suspension. Your Committee further finds that this measure will assist in making the child support enforcement process more efficient.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2287, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3143 Commerce, Consumer Protection and Housing on H.B. No. 1021

The purpose of this measure is to adopt policies and reforms to support the Public Utilities Commission (Commission) in its progressive and aggressive efforts to protect ratepayers and the public and implement the State's energy strategy.

Specifically this measure:

- (1) Increases the salaries of the Chairperson and the commissioners of the Commission;
- (2) Authorizes the Chairperson of the Commission to appoint utility analysts and legal assistants exempt from chapter 76, Hawaii Revised Statutes; and
- (3) Authorizes the Commission to suspend the collection of public utility fees when the Commission's special fund exceeds three million dollars.

Testimony in support of this measure was submitted by the Public Utilities Commission; the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Young Brothers, Ltd.; Hawaii Transportation Association; Hawaii Energy Policy Forum; Rocky Mountain Institute; and Hawaii Renewable Energy Alliance. No testimony in opposition to this measure was submitted to your Committee.

Your Committee finds that the responsibilities, duties, and workload delegated to the Commission chairperson, its commissioners, and its staff have increased dramatically in recent years due, in part, to implementation of the State's Renewable Portfolio Standard, Net Energy Metering laws, and other energy issues. Your Committee further finds that the increased salaries for the Commission chairperson and the commissioners and the increased staffing specified in this measure will empower the Commission to promote progressive energy policies in this State.

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

- (1) Adopting the amendment proposed by the Commission that requires the suspension of fees and surcharges that utilities charge their customers to recover public utility fees when the collection of public utility fees are suspended;
- (2) Adopting the amendment proposed by the Commission that requires the implementation of any periodic suspension of public utility fees in accordance with sections 269-12(b), 269-16(a), and 269-30, Hawaii Revised Statutes, and other relevant statutory provisions;
- (3) Requiring the Commission to conduct an in-depth review of its organization; develop a comprehensive restructuring plan; and submit a report to the Legislature twenty days before the convening of the Regular Session in 2007 that specifies the Commission's staffing needs, the funds required to restructure, and any proposed legislation to implement this restructuring; and
- (4) Changing the effective date of this measure from July 1, 2020, to July 1, 2050, to continue further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3144 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on H.B. No. 2934

The purpose of this measure is to authorize the issuance of general obligation bonds to renovate existing Kalaeloa structures into shelters for homeless veterans.

Your Committees received testimony in support of this measure from the Department of Defense Office of Veterans Services, the Department of Defense Advisory Board on Veterans Services, the Office of Hawaiian Affairs, US VETS-Hawaii, and three individuals.

Your Committees find that over 250,000 veterans are homeless across the nation on any given night, that one third of the U.S. male homeless population is made up of veterans, and that there are already veterans from the Iraqi incursion of 2003 that have become homeless since returning home to Hawaii. Your Committees further find that working with organizations like US VETS-Hawaii, which can access federal funds to provide veteran social services, shall relieve some of the financial burden on the State, leaving more state services available to others in need.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2934, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

SCRep. 3145 (Joint) Media, Arts, Science and Technology and Commerce, Consumer Protection and Housing on H.B. No. 2836

The purpose of this measure is to protect the privacy of individuals by requiring the Department of Accounting and General Services through a governmental security task force, to develop a statewide information security protection program and policies that prevent unauthorized access to individual information collected or maintained by executive departments.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services.

Identity theft is one of the fastest growing crimes committed throughout the United States, including Hawaii. The privacy and financial security of individuals are increasingly at risk due to the widespread collection of personal information. Your Committees find that the Department of Accounting and General Services is currently in the process of establishing a cyber security office to address information security programs, policies, and procedures for the executive departments.

Your Committees have amended this measure by requiring the new cyber security office to establish a program that addresses information security needs for state agencies instead of creating a governmental information security task force. Additionally, your

Committees require that the cyber security office submit a report on its efforts to monitor, analyze, prevent, and mitigate cyber security issues for executive departments to the Legislature prior to the convening of the 2007 legislative session.

The Department of Accounting and General Services expressed concerns regarding establishing a statewide information security protection program that includes the University of Hawaii, the Department of Education, and certain quasi-independent agencies. The Department indicated that these departments and agencies may want to establish their own information security programs to address their own special requirements and express a degree of autonomy. In light of this concern, your Committees have amended this measure by requiring the Department to consult with the University of Hawaii, the Department of Education, and other attached agencies that may want to establish their own information security programs. Furthermore, your Committees have made technical, nonsubstantive amendments for style and consistency.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2836, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2836, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (English).

SCRep. 3146 (Joint/Majority) Media, Arts, Science and Technology and Business and Economic Development on H.B. No. 2181

The purpose of this measure is to support the growth of the high-technology industry in the State.

The measure accomplishes this purpose by:

- (1) Establishing the Hawaii Innovations Partnership Corporation to:
 - (A) Provide research and development grants; and
 - (B) Invest in enterprises in the fields of advanced technology, life sciences, and renewable energy; and
- (2) Appropriates \$100,000,000 for this purpose.

At a previous public hearing, your Committees circulated a proposed Senate Draft of the measure (proposed S.D. 1). The proposed S.D. 1 deleted the substantive contents of the measure and replaced it with provisions that:

- (1) Establish a reworked but substantially similar version as in the H.D. 2 of the research and development grant program, named the Innovations Research and Development Grant Program, and place it within the High Technology Development Corporation; and
- (2) Combine the High Technology Development Corporation and the Hawaii Strategic Development Corporation into one entity by incorporating the majority of the Hawaii Strategic Development Corporation's statutes into a new subpart of the High Technology Development Corporation's chapter in the Hawaii Revised Statutes.

The Department of Business, Economic Development, and Tourism, University of Hawaii's University Connections program, the High Technology Development Corporation, and a private citizen submitted testimony in support of the proposed S.D. 1. The Hawaii Science and Technology Council, Energy Industries, Hawaii Biotech, Inc., Nanopoint, Inc., Hawaii Venture Capital Association, the tax director of PricewaterhouseCoopers, HR Biopetroleum, Hawaii Crop Improvement Association, and the Hawaii Technology Development Venture testified in support of the intent of the proposed S.D. 1, with concerns. Enterprise Honolulu, Pacificap Group, and the International Venture Fund testified in opposition to the proposed S.D. 1 and in support of the H.D. 2 version of the measure.

Your Committees have amended the proposed S.D. 1 by:

- (1) Requiring the Innovations Research and Development Grant Program to provide technical business support to projects funded by the grant program;
- (2) Reducing the size of the newly combined entity's board of directors from seventeen to fifteen and making the President of the University of Hawaii or the President's representative an ex-officio voting member of the High Technology Development Corporation's Board of Directors;
- (3) Requiring that the High Technology Development Corporation be subject to an annual audit by an independent auditor;
- (4) Reworking segments of the measure to ensure that conflicts of interest do not arise in the performance of the newly combined entity's duties and investment practices;
- (5) Renaming the Hawaii Technology Loan Revolving Fund the High Technology Research and Grant Special Fund and using it to fund the Innovations Research and Development Grant Program;
- (6) Transferring the Hawaii Strategic Development Corporation Revolving Fund to the newly combined entity and renaming it the High Technology Investment Fund;

- (7) Establishing a chief investment officer position for the newly combined entity and making additional amendments to ensure continuity of the strategic development program and its investments; and
- (8) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees note that, in crafting this amended measure, your Committees are not inventing new processes or creating new entities. Rather, your Committees are streamlining existing processes and combining entities that share the similar focus of nurturing and invigorating Hawaii's high technology-related sectors. Your Committees further note that, although the H.D. 2 version of the measure did appropriate \$100,000,000 to the corporation it created for high technology investment, the H.D. 2 did not appropriate any funds to the Hawaii Strategic Development Corporation, the currently existing entity that could immediately invest such moneys in high technology ventures. Your Committees believe that their amended version would provide a more immediate and direct benefit to Hawaii's high technology sector, without subjecting the private sector to the machinations of establishing another quasi-public entity to promote high technology development in the State.

Your Committees have left the investment ceilings and monetary amounts in the measure unspecified since your Committees believe that these issues are within the purview of the Committee on Ways and Means. However, your Committees note that the Committees intend to pursue the five-year funding mechanism that was originally contained in the House proposal and are currently exploring additional funding sources to ensure the long-term viability of the high technology investment program.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2181, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2181, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Trimble). Excused, 4 (English, Ihara, Menor, Sakamoto).

SCRep. 3147 Media, Arts, Science and Technology on H.B. No. 2419

The purpose of this measure is to enhance the Department of Taxation's computer system and to streamline its related operational procedures.

Specifically, the measure establishes a new Integrated Tax Information Management Systems Special Fund to:

- (1) Receive revenues from the integrated tax information management systems post-implementation revenue-generating initiatives; and
- (2) Be expended to pay for integrated tax information management systems performance-based contracts and administrative and operating expenses.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended the measure by:

- (1) Taking the proposed provisions that enable the Department of Taxation to negotiate and enter into performance-based contracts with private contractors to enhance its automated tax systems capabilities out of the Hawaii Revised Statutes and placing these provisions in uncodified statutory law;
- (2) Expanding the Department of Taxation's authority to execute performance-based contracts to contracts for the collection of taxes related to the Streamlined Sales Tax Agreement identified in chapter 255D, Hawaii Revised Statutes, and any county surcharge on the state general excise tax imposed pursuant to section 46-16.8, Hawaii Revised Statutes;
- (3) Changing the amount of revenue that is to be deposited into the Integrated Tax Information Management Systems Special Fund from ninety per cent of the revenue received from the integrated tax information management systems post-implementation initiatives to an amount that represents the increase over the average of the total amount of tax revenues collected under chapters 235, 237, and 238 in each of the three years preceding the execution of the performance based contract;
- (4) Deleting, from the Hawaii Revised Statutes, the old Integrated Tax Information Management Systems Special Fund language that was established under section 231-3.2, Hawaii Revised Statutes, since that special fund has been statutorily inoperative since July 30, 2005;
- (5) Repealing the Department of Taxation's authority to enter into performance-based contracts as established under Act 273, Session Laws of Hawaii 1996, to avoid inconsistency between the two authorizations;
- (6) Deleting the section that appropriates moneys out of the Integrated Tax Information Management Systems Special Fund;
- (7) Requiring that the Department of Taxation shall execute its performance-based contracts and work assignments in accordance with this measure and the following timelines:

- (A) For executing the Department of Taxation's integrated tax information management systems enhancements and related services contract – October 1, 2006;
 - (B) For implementing the requirements of the county surcharge on the state general excise tax as authorized under Act 247, Session Laws of Hawaii 2005 – January 1, 2007; and
 - (C) For implementing the requirements of the Streamlined Sales Tax as identified under chapter 255D, Hawaii Revised Statutes – October 1, 2007.
- (8) Changing the effective date from July 1, 2020, to upon approval; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee included two amendments to sections 237-8.6 and 238-2.6, Hawaii Revised Statutes, as amended by Act 247, Session Laws of Hawaii 2005, at the request of the Department of Taxation. These amendments authorize the Department of Taxation to apply the performance-based contracting authority in the measure to contracts executed in 2006 for services contracted to implement the county surcharge on the state general excise tax and use taxes on imported services. The Department of Taxation subsequently submitted additional recommendations for amendments, some of which your Committee believes may be addressed through the rulemaking process.

Your Committee notes that, with regard to the addition of the Streamlined Sales Tax Agreement provisions, preliminary information from members of the Streamlined Sales Tax Governing Board indicates that, among states that began implementing voluntary collections in October 2005, those with recent tax information system upgrades were in a strong position to make the Streamlined Sales Tax transition smoothly. The state of Kansas, whose tax information software system was one that Hawaii's Integrated Tax Information Management Systems project was based on, is one such example.

In March, Kansas reported that four hundred fifty of the remote retailers registering with the Streamlined Sales Tax Governing Board's registration system are now collecting its out-of-state sales taxes. Furthermore, Kansas estimates that it will collect an additional \$12,000,000 from this source in 2006.

Accordingly, your Committee believes that Kansas' experience demonstrates the value of combining proposed tax information system upgrades with upcoming Department of Taxation obligations like the county surcharge and streamlined sales and use tax implementation. Careful planning and implementation timetables will not only save time and money, but will ensure the best use of critical, time-sensitive resources.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2419, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2419, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3148 (Joint) Higher Education, Education and Military Affairs and Transportation and Government Operations on H.B. No. 1866

The purpose of this measure is to repeal the sunset date of Act 321, Session Laws of Hawaii 1986, which would give the Department of Education and the University of Hawaii permanent autonomous authority over accounting systems, and purchases of goods and services.

Your Committees received testimony in support of this measure from the University of Hawaii System; University of Hawaii at Manoa; University of Hawaii at Hilo; University of Hawaii – West Oahu; Honolulu Community College; Kapiolani Community College; Kauai Community College; Maui Community College; Leeward Community College; Hawaii Community College; Windward Community College; Department of Education; The Chamber of Commerce of Hawaii; The Hawaii Business Roundtable; and one individual. The only testimony in opposition was to the University of Hawaii by four individuals. Comments were received from the Department of Accounting and General Services.

Act 321, Session Laws of Hawaii 1986, provided for the University of Hawaii and the Department of Education to have greater autonomy over internal operations. The University and the department assumed authority and responsibility for all matters relating to the acquisition of goods and services, pre-audit payments, fund accounting, and business and accounting processes.

Your Committees recognize that Auditor Report No. 05-15, *Systemwide Financial Audit of the University of Hawaii System: Phase I*, December 2005, raised many concerns about the University of Hawaii's fiscal responsibility. The report stated, in pertinent part:

[stemming] from the university's failure to incorporate certain ePurchasing procedures into existing procedures for purchases under \$25,000, payments can be processed without verification of proper authorization. [The] Disbursing and Payroll Office simply assumes that small purchases are properly authorized since the purchase orders lack this documentation. This flaw in the design of current operating procedures could allow unit fiscal officers to bypass appropriate approvals for purchases of up to \$25,000.

[During] our review of Manoa's administration of general and tuition funds, we found instances in which the requisitioner or initiator of a purchase also signed off as the approving authority. The functions of both initiating and approving a purchase should be segregated. [The] university's failure to update its policies and procedures increases the risk that the improper usage of funds will occur and go undetected.

Once again, no reliable, adequate system of internal financial reporting exists for the Manoa campus. This makes it difficult for campus administration to monitor and evaluate unit and program performance, reducing accountability at those levels.

Without formal policies and procedures governing the administration of funds, including reporting process from the campus units to the manoa campus management, improprieties may go undetected. Furthermore, without the proper controls and financial reporting tools in place, the university will have difficulty identifying financial problems and addressing those problems in a timely manner.

The report concluded:

Although the University of Hawai'i currently benefits from a considerable amount of administrative flexibility, it has been striving toward greater autonomy. However, along with greater autonomy comes greater responsibility to the people of Hawai'i and the need to be fiscally accountable. As such, future recommendations for further autonomy must be carefully thought through by the Legislature and university in order to ensure that the appropriate resources and accountability mechanisms are available for the university to undertake added responsibilities.

Your Committees find that the university needs more time to demonstrate consistent fiscal responsibility.

Your Committees have amended this measure by extending the current exemption to June 30, 2010, as it applies to the University of Hawaii, and to repeal the sunset date of Act 321 as it applies to the Department of Education.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1866, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1866, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Inouye, Kanno, Menor, Nishihara).

SCRep. 3149 Higher Education on H.B. No. 2040

The purpose of this measure is to establish the Senator Hiram L. Fong Scholarship Program at the University of Hawaii.

The Department of Education, the University of Hawaii System, the City and County of Honolulu, the Senator Hiram L. Fong Commission, and two individuals submitted testimony in support of this measure.

The Senator Hiram L. Fong Commission was established to determine how best to honor and recognize Senator Hiram L. Fong, a distinguished political, business, and community leader. Your Committee agrees with the commission's recommendation to establish and endow a Senator Hiram L. Fong Scholarship Program at the University of Hawaii. Your Committee finds that recommended program is an appropriate way to honor the memory of Senator Hiram L. Fong.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2040, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

SCRep. 3150 Higher Education on H.B. No. 3158

The purpose of this measure is to appropriate \$84,000,000 to the University of Hawaii for utility, repair, and maintenance expenses of the University of Hawaii and its community colleges.

Your Committee circulated a proposed S.D. 1 version of the measure that deleted the substantive provisions of the measure and inserted provisions that provided appropriations to various programs of the University of Hawaii that directly benefit Hawaiian students and other students who are interested in Hawaiian programs.

Specifically, the proposed S.D. 1 appropriated funds to the following programs:

- (1) Kamakakūokalani Center for Hawaiian Studies within the School of Hawaiian, Asian, & Pacific Studies for two full time equivalent positions (\$95,000);
- (2) Kawaihuealani Hawaiian Language Department within the University of Hawaii College of Languages, Linguistics, and Literature for two full time equivalent positions (\$95,000);
- (3) Hawaiian Engineering within the University of Hawaii College of Engineering for one full time equivalent position (\$54,000);

- (4) Indigenous Politics within the University of Hawaii College of Arts and Science for one full time equivalent position (\$54,000);
- (5) Ka Papa Lo'i o Kānewai within the University of Hawaii School of Hawaiian, Asian, and Pacific Studies for one full time equivalent position (\$41,000);
- (6) Establish a master of arts degree in Hawaiian Studies within the University of Hawaii School of Hawaiian, Asian, and Pacific Studies for two and one-half full time equivalent positions (\$173,812);
- (7) Haumana Biosciences Research within the Pacific Biosciences Research Center for three full time equivalent positions (\$200,000);
- (8) 'Ike Ao Pono Nursing within the University of Hawaii School of Nursing and Dental Hygiene for one full time equivalent position (\$60,500); and
- (9) 'Imi Ho'ōla JABSOM Premedical within the University of Hawaii John A. Burns School of Medicine for four full time equivalent positions (\$245,000).

Your Committee received testimony in support of the proposed S.D. 1 from the University of Hawaii and over thirty private citizens.

As a part of the Ku Ali'i Council's supportive testimony, the Council requested that two additional programs be funded in the measure. These programs are:

- (1) The University of Hawaii College of Education's Ho'okulaiwi Hawaiian Teacher Education Program so that Ho'okulaiwi could add another cohort of twenty-two students per year, and eventually graduate sixty-six students a year who could teach in the Department of Education Hawaiian Immersion schools, English medium Hawaiian charter schools, or in any public school, especially where a large Hawaiian student population exists; and
- (2) The University of Hawaii School for Hawaiian, Asian, and Pacific Studies' Kualii Native Hawaiian Student Services program (\$160,490 to fund four full time equivalent positions) so that can service the 6,828 native Hawaiian students in the entire University of Hawaii system as well as the 1,644 native Hawaiian students at the Manoa campus. Currently, there is only one full time equivalent position at the University of Hawaii at Manoa to support all of these students.

While your Committee did not include the two program appropriations requested by the Ku Ali'i Council, your Committee has amended the proposed S.D. 1 by adding an additional appropriation to the measure for the Ho'okulaiwi Hawaiian Teacher Education Program within the University of Hawaii College of Education. The amount appropriated for this program is \$144,500 to fund three full time equivalent positions.

In the testimony provided by the University of Hawaii, the University stated that the programs included in the proposed S.D. 1 represent the University's top priorities for its Hawaiian culture- and language-related programs. While your Committee is supportive of the programs for which the Ku Ali'i Council requested funds, your Committee believes that they do not rise to the level of priority of those programs contained in the amended proposed S.D. 1. However, your Committee respectfully requests that the Committee on Ways and Means seriously consider funding these two programs, should funding become available.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3158, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3158, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 3151 (Joint) Commerce, Consumer Protection and Housing and Transportation and Government Operations on H.B. No. 2240

The purpose of this measure is to require the Department of Accounting and General Services (DAGS) and the Hawaii Housing Finance and Development Corporation (HHFDA) to plan for public/private partnerships to construct affordable housing units on or adjacent to future state facilities, including on state property in Iwilei, Oahu.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii and the Pacific Housing Assistance Corporation. The Department of Accounting and General Services testified that the measure is not necessary.

Your Committees find that although DAGS is already moving forward to assist in the development of the Iwilei parcel for an affordable housing project, this measure will put to rest the notion that a state office complex will be built on the site.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2240, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3152 (Joint/Majority) Commerce, Consumer Protection and Housing and Water, Land, and Agriculture on H.B. No. 2994

The purpose of this measure is to preserve Kulana Nani as an affordable rental housing project. The measure has an effective date of July 1, 2020, to encourage further discussion.

Testimony in support of the measure was submitted by the Kulana Nani Resident Association. The Housing and Community Development Corporation of Hawaii testified that the measure should be amended to appropriate funds for land acquisition of Kulana Nani directly to the City and County of Honolulu, which operates the project.

Your Committees find that concern was expressed that the City and County of Honolulu may seek to dispose of the Kulana Nani project, and that state action is therefore required to preserve the project as affordable housing.

Your Committees have amended this measure to:

- (1) Delete the limitation on use of eminent domain for acquisition of Kulana Nani until after June 30, 2007;
- (2) Include a legislative declaration that acquisition of Kulana Nani by eminent domain is in the public interest and is required for public use;
- (3) Exempt acquisition of Kulana Nani from the provision of section 201G-16, Hawaii Revised Statutes, making condemnation of parcels greater than fifteen acres subject to legislative disapproval;
- (4) Clarify that the income restrictions of the Kulana Nani project shall remain those in effect on the date of this Act;
- (5) Replace the sum appropriated with a blank amount; and
- (6) Make technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2994, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2994, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 2 (Hemmings, Hogue). Excused, 2 (English, Fukunaga).

SCRep. 3153 (Joint) Commerce, Consumer Protection and Housing and Water, Land, and Agriculture on H.B. No. 3067

The purpose of this measure is to establish, and authorize the State to invest in, linked investments to provide loan funds for agriculture. The measure contains an effective date of July 1, 2020, for purposes of further discussion.

Testimony in support of the intent of the measure was submitted by the Department of Agriculture. The Department of Budget and Finance expressed concerns and requested two amendments to the measure.

Your Committees find that this measure will expand the amount of affordable loan funds for agriculture by allowing private lending institutions to provide operating loan funds at favorable rates to agricultural enterprises that would not otherwise qualify for loans from the Department of Agriculture.

Your Committees have amended the measure to:

- (1) Prohibit state liability for payment of an outstanding loan;
- (2) Prevent investment of state funds at below-market yields;
- (3) Provide a definition of real property for purposes of the measure;
- (4) Require that viability of an agricultural business plan be determined by the Agribusiness Development Corporation; and
- (5) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3067, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3067, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 3154 (Joint/Majority) Commerce, Consumer Protection and Housing and Water, Land, and Agriculture on H.B. No. 2566

The purpose of this measure is to increase the number of affordable housing units in Honolulu's urban core, specifically the Kakaako development area. The measure has an effective date of July 1, 2020, to encourage further discussion.

Testimony in support of the measure was submitted by the Hawaii Community Development Authority (HCDA) and three individuals. The Department of Budget and Finance did not support the measure.

Your Committees find that this measure will provide developers with an incentive to build or rehabilitate affordable housing on lands controlled by HCDA, adding another tool to assist HCDA with its mandate to develop Kakaako and assure that much-needed affordable housing is made available for the residents of Oahu. At the same time, the measure restricts the use of any funds for residential development in the Kakaako Makai area in the event that plans for that area are rescinded and future state policy is reconsidered.

Your Committees have amended the measure to:

- (1) Correct the reference to Kakaako Makai area;
- (2) Provide that HCDA may adopt additional criteria for project assistance by rule;
- (3) Replace the sum appropriated with a blank amount; and
- (4) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2566, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2566, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (English, Fukunaga).

SCRep. 3155 Commerce, Consumer Protection and Housing on H.B. No. 1852

The purpose of this measure is to make an appropriation for the condemnation of land in Nanakuli for a public housing project.

Your Committee received testimony in support of the measure from the Iron Workers Stabilization Fund. The Housing and Community Development Corporation of Hawaii submitted testimony in opposition to this measure.

This measure directs the Hawaii Public Housing Administration to commence eminent domain proceedings for the condemnation of a certain one hundred seventy-two acre parcel of real property in Nanakuli that is suitable and desirable for the development of a public housing project. Your Committee finds that this measure will assist in providing low to moderately priced housing for Oahu residents.

In order to promote additional discussion on this measure, your Committee has changed the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1852, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3156 Commerce, Consumer Protection and Housing on H.B. No. 3115

The purpose of this measure is to improve oversight of the petroleum industry to prevent it from engaging in unfair practices.

Among other things, this measure:

- (1) Establishes the petroleum industry monitoring, analysis, and reporting program, which requires refiners and distributors to report information to the Public Utilities Commission;
- (2) Establishes the automated petroleum industry information reporting system to be maintained by the Public Utilities Commission;
- (3) Establishes the petroleum industry monitoring, analysis, and reporting special fund and makes an appropriation to the fund to establish the petroleum industry monitoring, analysis, and reporting program;
- (4) Suspends the duties of the Public Utilities Commission relating to the gasoline price cap program;

- (5) Repeals gasoline price caps, effective July 1, 2008; and
- (6) Prohibits misrepresentations and unlawful profiteering by the petroleum industry and makes them punishable as unlawful trade practices.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, the Department of Commerce and Consumer Affairs, Aloha Petroleum, Ltd., Mid Pac Petroleum, and one individual. Your committee received testimony in opposition to this measure from Citizens Against Gasoline Price Gouging, Kokua Council, and two individuals. Your Committee received comments on this measure from the Public Utilities Commission, the Department of Business, Economic Development and Tourism, the Department of Budget and Finance, Voter Owned Elections Hawaii, the Gas Company, Western States Petroleum Association, and Shell Oil.

Your Committee finds that the present gasoline pricing law has been working as intended. Pricing regulation has forced the oil companies, for the first time, to lower prices when mainland prices have fallen.

Your Committee finds, however, that in its present form, this measure is seriously flawed, riddled with loopholes for gasoline wholesalers who have gouged Hawaii consumers for years. The significant flaws in the measure fall into two areas. First, the measure claims to establish a system of transparency, but in fact reduces transparency by keeping the oil companies' pricing information confidential, and allowing them to withhold data from the Public Utilities Commission and the public that is essential to monitor the industry's behavior to preclude price fixing. Second, the measure has no teeth. It completely eliminates any mechanism to require the oil companies to lower prices. In essence, it would return the State to the past, when the oil companies reigned supreme in a noncompetitive market.

Despite the success of the present law, your Committee finds that there is a lack of political will to maintain the price ceiling in its present form. Critics have blamed the price ceiling for high gasoline prices. They have repeatedly stated that prices would be lower and more competitive if the State did not have gasoline price regulation in place. However, your Committee finds that Hawaii gasoline prices will not go down to competitive levels without increased transparency and government pressure.

To effectuate a compromise between critics and supporters of the current gasoline pricing law, your Committee has amended this measure to suspend indefinitely the maximum wholesale price ceiling, while leaving mechanisms in place to ensure oil companies do not again raise prices artificially high. The oil companies would be able to set prices at whatever levels they want subject to certain safeguards to protect consumers.

As amended, the measure would create a fair price indicator based on a reformulation of the existing wholesale gasoline price ceiling under section 486H-13, Hawaii Revised Statutes. After the maximum wholesale price ceiling is suspended, the Public Utilities Commission still would be required to calculate and report this price ceiling as a benchmark to enable the public to see what the wholesale price would have been if a gasoline price ceiling were in effect. In addition, the fair price indicator would enable the public to hold the oil companies accountable for their pricing practices.

The fair price indicator would serve an additional purpose by providing a remedy if the oil companies return to their previous practices of overcharging Hawaii consumers. Under the proposed amendments, if the wholesale price of gasoline went above the fair price level and remained there for two consecutive weeks, it would trigger the reinstatement of the maximum wholesale price ceiling for two weeks, after which time the ceiling would be suspended again. This would ensure that if the oil companies did what their champions claim they will not do—namely, price above the fair price level—Hawaii's consumers will not be left defenseless.

Your Committee also amended this measure to create a true and effective system of transparency that would disclose actual wholesale prices and allow consumers to compare them with what prices would have been if a price ceiling were in place. As amended, the measure would ensure that elected officials and the public will have all of the data they need to effectively monitor the pricing schemes and anti-competitive practices of the oil industry.

Your Committee recognizes that a major goal of transparency is to raise the curtain of secrecy around industry-pricing practices to deter price-fixing and other anti-competitive practices. As amended, the measure would require the industry to report to the Public Utilities Commission sales volumes and the effective date, time, and amount of changes in wholesale prices for gasoline and diesel. Within fourteen days of receipt of this information, the Public Utilities Commission would be required to use the best technology available to publicly disclose the sales and pricing data that the industry reports. The Public Utilities Commission still would keep the industry's legitimately confidential information under seal.

In adopting these amendments, your Committee is doing its best to accommodate the desire of members of the House of Representatives to adopt transparency and monitoring measures, to put on hold the mandatory price ceiling, and to give oil companies given greater latitude in setting prices. However, the amendments also address the belief of consumer advocates and this Committee that the State must have some kind of fallback mechanism in place to roll back prices should the oil companies resort to raising prices artificially high.

This measure would put the critics of the gasoline pricing law, especially gasoline wholesalers, to the test. The State will see how the oil companies respond if the gasoline price ceiling is suspended to give oil companies and wholesalers greater freedom in setting gasoline prices.

Your Committee has amended this measure by:

- (1) Providing increased industry transparency;

- (2) Suspending the current maximum wholesale price ceiling while leaving mechanisms in place to ensure oil companies do not further raise prices artificially high; and
- (3) Increasing savings for consumers if oil companies attempt to maintain artificially high prices, by creating a fair price indicator based on the following adjustments to the formula for the former maximum wholesale gasoline price:
 - (a) Adding the Singapore spot daily price to determinations of baseline prices, with the lowest three of the four average weekly geographic prices averaged for the state baseline;
 - (b) In the event of a holiday or holidays, requiring the Public Utilities Commission to use average of remaining business days of the prior week;
 - (c) Removing the location adjustment factor;
 - (d) Reducing the marketing margin factor to 14 cents;
 - (e) Allocating different percentages of zone price adjustments to different distributors performing different functions; and
 - (f) Providing for adjustment of zone price adjustments and allocation of zone price adjustments on a zone by zone basis.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3115, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3115, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3157 Commerce, Consumer Protection and Housing on H.B. No. 2966

The purpose of this measure is to effectuate the implementation plan prepared by the Housing and Community Development Corporation of Hawaii to create two separate state housing agencies, the Hawaii Housing Finance and Development Corporation, and the Hawaii Public Housing Authority; to make necessary technical and conforming amendments to relevant statutory provisions; and to appropriate funds for implementation of the plan. The measure contains an effective date of July 1, 2020, for purposes of encouraging further discussion.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (with recommended amendments).

Your Committee finds that the burden of administering the public housing projects in the State has overshadowed the ability of the Housing and Community Development Corporation of Hawaii to pay sufficient attention to the financing and development of affordable housing. Accordingly, as required by Act 196, Session Laws of Hawaii 2005, the Corporation will be split into two organizations to more effectively concentrate on the development of affordable housing. This measure is a result of the implementation plan prepared by the Corporation for the reorganization of the State's housing functions, in compliance with Act 196.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2952, S.D. 1, which are substantively similar, except for technical differences. As amended, the measure also:

- (1) Restores the Director of Budget and Finance and the Governor's representative to the Board of Directors of the Hawaii Housing Finance and Development Corporation;
- (2) Restores the Governor's representative to the Board of Directors of the Hawaii Public Housing Authority;
- (3) Allows the Boards of Directors of each agency to set the salary of the Executive Director and the Executive Assistant;
- (4) Provides for continuation of the eviction process for public housing, and clarifies that the process applies only to federal housing;
- (5) Provides for the continuation of teacher housing until its eventual transfer to the Department of Education; and
- (6) Provides for the transfer of functions, personnel, property, and documents to from the Housing and Community Development Corporation of Hawaii to the Hawaii Public Housing Authority.

Your Committee has further amended this measure to:

- (1) Allow public assistance recipients to receive state rent supplements;
- (2) Limit the use and payment of administrative expenses from the dwelling unit revolving fund;
- (3) Exempt the Kikala-Keokea revolving fund from appropriation and allotment; and

- (4) Make technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2966, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2966, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3158 Commerce, Consumer Protection and Housing on H.B. No. 3036

The purpose of this measure is to provide for prompt payment of a subcontractor or materialman upon completion of the work or materials required under the contract, by establishing a certificate of completion procedure that functions as a lien on the property.

Testimony in support of this measure was submitted by Mutual Welding Company Ltd.; S and M Welding Co. Ltd.; South Pacific Steel Corp.; Paradise Erectors, Inc.; Iron Workers Stabilization Fund; the Subcontractors Association of Hawaii; the Roofing Contractors Association of Hawaii; the Hawaii Flooring Association; the Electrical Contractor Association of Hawaii; the Steel Fabricators and Erectors of Hawaii; the Painting and Decorating Contractors Association of Hawaii; and one individual. Testimony in opposition to this measure was submitted by the Building Industry Association of Hawaii; Mouse Builders, Inc.; Co-Ha Builders, Inc.; The Pacific Resource Partnership; HSI Mechanical Inc.; American Electric Co., LLC; JD Equipment Services, Inc.; Actus Lend Lease LLC; and the General Contractors Association of Hawaii. The Department of Accounting and General Services submitted comments.

Your Committee finds that this measure is a work in progress that requires continued discussion. At the hearing, the Department of Accounting and General Services proposed amendments to sections 103-10.5, 103-32.1, and 103D-501(b), Hawaii Revised Statutes. Testifiers in support and in opposition to the measure testified that they were conceptually in agreement with the Department of Accounting and General Service's proposed amendments. Following the hearing, the affected parties met and drafted a proposed draft that was presented to your Committee.

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

- (1) Deleting all of its original provisions;
- (2) Providing that a subcontractor shall be entitled to payment from an agency under specific circumstances as delineated in the proposed draft;
- (3) Adopting provisions delineated in the proposed draft that allow a contractor or a subcontractor, with specific notice to the subcontractor and the procurement officer, to negotiate provisions that direct the paying agency to retain a specified percentage of each progress payments and permit the contractor or subcontractor to make a determination that a subcontractor's payment may be withheld;
- (4) Adopting provisions delineated in the proposed draft that provide for the determination and payment of an interim price by a governmental body in the absence of agreements between the parties; and
- (5) Changing the effective date from January 1, 2050, to July 1, 2050, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3036, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3036, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3159 Commerce, Consumer Protection and Housing on H.B. No. 2991

The purpose of this measure is to adopt legislation allowing the implementation of Article VII, Section 12 of the State Constitution that permits the issuance of special purpose revenue bonds for governmental programs for low- and moderate-income housing. The measure contains an effective date of July 1, 2096, to encourage discussion.

Testimony in support of the measure was submitted by the Senior Policy Advisor to the Governor, the Department of Budget and Finance, UniDev LLC, Hawaii Reserves, Inc., and Hawaii Association of Realtors.

Your Committee finds that this measure will allow access to funds for affordable housing projects and infrastructure at less than prevailing market rates. For large projects, the cost savings from lower interest rates could be quite substantial.

Your Committee is concerned that as drafted, this measure may not pass constitutional muster. Accordingly, your Committee has replaced the contents of section 2 of the measure with the contents of section 2 of S.B. No. 2999, S.D. 1, while retaining existing language defining low- and moderate-income housing project. The effect of this amendment is to permit issuance of special purpose revenue bonds for public instrumentalities and their qualified affiliates, rather than for not-for-profit private organizations. With this

amendment, the measure will be more consistent with a constitutionally enumerated authorized purpose of special purpose revenue bonds, which may be issued for low- and moderate-income government housing programs.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2991, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2991, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3160 Commerce, Consumer Protection and Housing on H.B. No. 2239

The purpose of this measure is to appropriate funds and authorize eminent domain proceedings for the acquisition of the Kukui Gardens property from Kukui Gardens Corporation.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (with suggested amendments), two members of the Honolulu City Council, the Affordable Housing and Homeless Alliance, the Hawaii Association of Realtors, Empower Oahu, Solidarity with the Homeless, and thirty-two individuals.

Your Committee finds that this measure is necessary to acquire Kukui Gardens in the public interest and for public use as an affordable housing project, by exercise of the power of eminent domain. Your Committee further finds that it is necessary to provide for the public financing of the acquisition of Kukui Gardens by condemnation through the expenditure of general funds and any available revenue bond proceeds and private funds at the disposal of the State.

Your Committee has amended the measure to:

- (1) Delete the limitation on use of eminent domain for acquisition of Kukui Gardens until after June 30, 2007;
- (2) Include a legislative declaration that acquisition of Kukui Gardens by eminent domain is in the public interest and is required for public use;
- (3) Exempt acquisition of Kukui Gardens from the provision of section 201G-16, Hawaii Revised Statutes, making condemnation of parcels greater than fifteen acres subject to legislative disapproval; and
- (4) Make technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2239, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3161 Commerce, Consumer Protection and Housing on H.B. No. 2176

The purpose of this measure is to implement many of the recommendations of the Joint Legislative Housing and Homeless Task Force. Specifically, this measure:

- (1) Authorizes rent supplement funds to be used for operating expenses of state low-income housing;
- (2) Allows public assistance recipients to receive rental income supplements;
- (3) Increases the amount of conveyance tax revenues deposited into the rental housing trust fund;
- (4) Allows state-owned parcels to be leased for development of self-help housing;
- (5) Requires state-owned parcels to be identified and transferred to the Hawaii Housing Finance and Development Administration for affordable housing development;
- (6) Appropriates general funds for homeless and transitional housing and services;
- (7) Appropriates general funds to repair and modernize vacant public housing units; and
- (8) Appropriates general funds for interim construction loans for self-help housing.

The measure contains an effective date of July 1, 2010, to encourage further discussion.

Testimony in support of this measure was submitted by the Senior Policy Advisor to the Governor, the Housing and Community Development Corporation of Hawaii, the Office of Hawaiian Affairs, the Affordable Housing and Homeless Alliance, the Institute for

Human Services, Hawaii Habitat for Humanity, Partners in Care, and Hawaii Association of Realtors. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee finds that this measure will provide additional financing tools and resources, including access to capital, to preserve and develop more affordable housing. The approach taken is a significant step in the right direction toward addressing the housing crisis in Hawaii, and will have a positive impact on the quality of life for all residents of Hawaii. However, still more needs to be done to implement the recommendations of the Joint Legislative Housing and Homeless Task Force, as reflected in provisions of S.B. No. 2999, S.D. 1.

Accordingly, your Committee has amended this measure to:

- (1) Establish a new state affordable housing tax credit, decoupled from the federal tax credit;
- (2) Reestablish the downpayment loan revolving fund;
- (3) Require sale of decommissioned state public housing units;
- (4) Require developer partners to provide a reasonable number of (rather than primarily provide) lower-income housing units;
- (5) Update references to security interests for housing project bonds;
- (6) Clarify preferences to be given in funding eligible rental housing;
- (7) Increase the low-income renters' income tax credit and eligibility therefor; and
- (8) Authorize issuance of general obligation bonds to finance downpayment loans for first-time (non-owner) homebuyers, and appropriate funds therefor.

Your Committee has also made technical, nonsubstantive amendments consistent with S.B. No. 2999, S.D. 1, and S.B. No. 2958, S.D. 1 and S.D. 2, for consistency, clarity, form, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2176, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3162 (Joint) Commerce, Consumer Protection and Housing and Water, Land, and Agriculture on H.B. No. 2964

The purpose of this measure is to authorize special leases of land to qualified nonprofit organizations providing affordable housing.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (with amendment).

Your Committees find that private nonprofit organizations are an important part of the solution to the affordable housing crisis, and will make beneficial use of land leased for ninety-nine years at a rent of \$1 per year to provide housing affordable to households at or below one hundred forty percent of the median family income.

Your Committees have amended this measure to:

- (1) Insert a reference to the general powers of the Hawaii Housing Finance and Development Corporation (HHFDA); and
- (2) Delete the limitation that qualified nonprofit organizations be operated in accordance with rules of the HHFDA.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2964, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2964, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 3163 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 2508

The purpose of this measure is to clarify that if the appraised value of a vehicle is less than \$1,000, the requirements for public auction of the vehicle may be waived and the vehicle disposed of after public notice pursuant to law.

Your Committees received testimony in support of this measure from the Honolulu Department of Customer Services; Mayor of Maui; and Windward Ahupua'a Alliance.

Your Committees find that this measure would allow for the faster disposal of towed abandoned vehicles while maintaining the public notice requirements for the owner to claim a vehicle before it is finally disposed. Vehicles that are damaged or missing parts and are in such poor condition as to be valued at less than \$1,000 are rarely claimed by its owner or sold at public auction.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2508, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2508, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Nishihara).

SCRep. 3164 (Joint) Education and Military Affairs and Transportation and Government Operations on S.C.R. No. 12

The purpose of this measure is to call on the Department of Defense to use its available funding to develop a comprehensive Homeland Security Plan in conjunction with state and local government agencies and present it to the Legislature for approval.

Comments to this measure were received from the State Department of Defense.

Your Committees find that the development of a comprehensive Homeland Security Plan that incorporates state and local government agencies is necessary to best protect Hawaii's people from terrorist incidents.

Your Committees have amended this measure by:

- (1) Noting an increased amount of available federal funding from \$45,000,000 to \$80,000,000;
- (2) Setting forth three additional elements to the Homeland Security Plan which include the identification of necessary infrastructure for potential procurement, and the increase of communications capability and responder capabilities to protect against terrorist attacks; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations 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 Chair and Vice Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Tsutsui).

SCRep. 3165 (Joint) Education and Military Affairs and Transportation and Government Operations on S.R. No. 2

The purpose of this measure is to call on the Department of Defense to use its available funding to develop a comprehensive Homeland Security Plan in conjunction with state and local government agencies and present it to the Legislature for approval.

Comments to this measure were received from the State Department of Defense.

Your Committees find that the development of a comprehensive Homeland Security Plan that incorporates state and local government agencies is necessary to best protect Hawaii's people from terrorist incidents.

Your Committees have amended this measure by:

- (1) Noting an increased amount of available federal funding from \$45,000,000 to \$80,000,000;
- (2) Setting forth three additional elements to the Homeland Security Plan which include the identification of necessary infrastructure for potential procurement, and the increase of communications capability and responder capabilities to protect against terrorist attacks; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 2, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 2, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Hee, Inouye, Kanno, Tsutsui).

SCRep. 3166 Human Services on S.C.R. No. 144

The purpose of this measure is to urge the development of a long-term care infrastructure plan for Hawaii.

Your Committee received testimony in support of the measure from the Department of Human Services, the Department of Health, and the Hawaii Long Term Care Association.

Your Committee finds that this measure will enable interested stakeholders to examine the challenges facing the State's aging population, review available services, analyze existing state and county laws and regulations, consider the current long-term care bed capacity and projections for future needs, and develop a comprehensive long-term care infrastructure plan to ensure public safety while supporting aging in place initiatives.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, as amended herein, and recommends that it be referred to the Committee on Health, in the form attached hereto as S.C.R. No. 144, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3167 Human Services on S.R. No. 89

The purpose of this measure is to urge the development of a long-term care infrastructure plan for Hawaii.

Your Committee received testimony in support of the measure from the Department of Human Services, the Department of Health, and the Hawaii Long Term Care Association.

Your Committee finds that this measure will enable interested stakeholders to examine the challenges facing the State's aging population, review available services, analyze existing state and county laws and regulations, consider the current long-term care bed capacity and projections for future needs, and develop a comprehensive long-term care infrastructure plan to ensure public safety while supporting aging in place initiatives.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Health, in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3168 Commerce, Consumer Protection and Housing on S.R. No. 37

The purpose of this measure is to urge the owners of Kukui Gardens to sell the project to a qualified affordable housing non-profit organization that will make a reasonable offer to purchase the property.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii, two members of the Honolulu City Council, the Affordable Housing and Homeless Alliance, the League of Women Voters of Honolulu, the Hawaii Association of Realtors, Faith Action for Community Equity (FACE), Solidarity with the Homeless, and thirty-five individuals.

Your Committee finds that a reasonable offer to purchase Kukui Gardens by a nonprofit housing organization will preserve the complex for future affordable housing, allow the existing tenants to remain in their housing, and preserve the character of the historic Chinatown neighborhood. The residents of Kukui Gardens deserve to be a party to the transaction because they are the ones most at risk if the sale is not handled equitably. All will benefit from the active intervention of the State to ensure that there is no negative impact on current and future residents.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3169 Commerce, Consumer Protection and Housing on S.C.R. No. 58

The purpose of this measure is to urge the owners of Kukui Gardens to sell the project to a qualified affordable housing non-profit organization that will make a reasonable offer to purchase the property.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii, two members of the Honolulu City Council, the Affordable Housing and Homeless Alliance, the League of Women Voters of Honolulu, the Hawaii Association of Realtors, Faith Action for Community Equity (FACE), Solidarity with the Homeless, and thirty-five individuals.

Your Committee finds that a reasonable offer to purchase Kukui Gardens by a nonprofit housing organization will preserve the complex for future affordable housing, allow the existing tenants to remain in their housing, and preserve the character of the historic Chinatown neighborhood. The residents of Kukui Gardens deserve to be a party to the transaction because they are the ones most at risk if the sale is not handled equitably. All will benefit from the active intervention of the State to ensure that there is no negative impact on current and future residents.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3170 Business and Economic Development on Gov. Msg. No. 250

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 250 CHARLES K. H. AU, for a term to expire 6-30-2009

CHARLES K. H. AU has been serving as an interim member of the Small Business Regulatory Review Board since November 2005, and brings to the Board a wealth of knowledge in public accounting and taxes. He is a certified public accountant and has been a partner of Erwin, Cabrinha, and Au, LLP, since 1996. Mr. Au received his Bachelors in Business Administration in accounting from the University of Hawaii at Manoa and worked for Arthur Andersen in Hawaii before joining his current firm and becoming a partner. Currently, he is a member of the Chinese Jaycees, the American Institute of Certified Public Accountants, and the Hawaii Society of Certified Public Accountants, of which he is also a member of the tax committee.

Your Committee received testimony in support of Mr. Au's nomination from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; Kobayashi Sugita & Goda, L & I Realty, Inc.; FOPCO, Inc.; ATCO Software, Inc.; Associated Builders and Contractors, Inc., Hawaii Chapter; Benefit Services of Hawaii, Inc.; Hicks Homes; AIG VALIC Financial Advisors, Inc.; Aylward Enterprises, Inc.; Copart Auto Auctions; and Mass Mutual Financial Group - The Hawaii Agency.

Your Committee finds that the Small Regulatory Review Board needs a representative from Oahu with experience in accounting, and Mr. Au's wealth of knowledge and experience in accounting will be an asset to the Board.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 3171 Business and Economic Development on Gov. Msg. No. 258

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 258 JOHN ISOBE, for a term to expire 6-30-2010

JOHN ISOBE has served faithfully for four years as the Vice-Chairperson of the Community-Based Economic Development Advisory Council. He received his Bachelor of Arts degree from the University of Hawaii at Manoa and for over twenty years has held various positions within the financial community of Kauai. As the former Deputy Director of Finance for Kauai County and the current Training Coordinator for Kauai Community College, he has guided the community of Kauai in implementing initiatives that increase economic development and capacity building.

Your Committee received testimony in support of Mr. Isobe's nomination from the Department of Business, Economic Development, and Tourism (DBEDT), the Pahio Resorts, and the Hawaii Community Foundation.

Your Committee finds that Mr. Isobe's expertise and experience with community development on Kauai has proven to be a valuable resource for the Community-Based Economic Development (CBED) Program and for the community of Kauai. He will continue to plan an important role in assisting and guiding the CBED Program with fulfilling its goals and objectives. Through his current position at the Kauai Community College, it is anticipated that Mr. Isobe will continue to be an excellent DBEDT and CBED Program liaison with the communities of Kauai.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 3172 Health on Gov. Msg. Nos. 280, 281 and 282

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD

G.M. No. 280 THOMAS E. ABBOTT, SR., for a term to expire 6-30-2010;

G.M. No. 281 DONNA DARLENE HANSEN, for a term to expire 6-30-2010; and

G.M. No. 282 EILEEN ANNE LANG, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Mental Health and Substance Abuse, Maui Service Area Board.

Your Committee received testimony in support of THOMAS E. ABBOTT, Sr. from the Department of Health. Dr. Abbott currently serves on the Mental Health and Substance Abuse, Maui Service Area Board as director and is being nominated for a second term. Dr. Abbott is a licensed psychologist with over seventeen years of experience. He has earned a Master's degree in Psychology from Pepperdine University and a Ph.D. in Psychology from the University of Southern California. He has served as Program Director and Clinical Director of the Crisis Outreach and Outpatient Services Program of Mental Health Kokua. Dr. Abbott's expertise, experience, and community service record make him a valuable asset to the Mental Health and Substance Abuse, Maui Service Area Board.

Your Committee received testimony in support of DONNA DARLENE HANSEN from the Department of Health, the Mental Health Association in Hawaii-Maui County Branch, and two individuals. Ms. Hansen currently serves on the Mental Health and Substance Abuse, Maui Service Area Board and is being nominated for a second term. She has been a community advocate for services for individuals with mental illness. She has also dedicated her time and efforts to community affiliations that work towards suicide prevention. Ms. Hansen is a parent of a consumer, and her insight, experience, and compassion are integral to the success of the Mental Health and Substance Abuse, Maui Service Area Board.

Your Committee received testimony in support of EILEEN ANNE LANG from the Department of Health. Ms. Lang currently serves on the Mental Health and Substance Abuse, Maui Service Area Board and is being nominated for a second term. She has earned a Master's degree in Social Work from the University of Hawaii. She is the Chemical Dependency Program Director at Ka Hale A Ke Ola Homeless Resource Center on Maui and she privately counsels individuals battling substance abuse. Ms. Lang is a role model for success. In addition to her education and professional experience, her personal experiences enable her to be an integral member of the Mental Health and Substance Abuse, Maui Service Area Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3173 Energy, Environment, and International Affairs on S.R. No. 40

The purpose of this measure is to request Hawaii's Congressional delegation to support legislation requiring the United State Department of Defense to locate and remove chemical and conventional munitions that were dumped at sea following World War II.

The Conservation Council for Hawaii, the Chamber of Commerce of Hawaii, and Life of the Land submitted testimony in support of this measure.

The Chamber of Commerce of Hawaii testified that the Deputy Assistant Secretary of the Army for Environment, Safety, and Public health confirmed that research indicates that chemical weapons were disposed of in five locations off the shores of Oahu. The Army is allegedly near the completion of study on the disposal of chemical weapons at sea, including the blistering agent lewisite. Your Committee finds that members of Hawaii's Congressional delegation should be urged to press for legislation requiring the United States Department of Defense to locate and remediate chemical and conventional munitions dumped at sea to protect the public and environment from potentially harmful effects.

Your Committee has amended this measure by:

- (1) Deleting the first "BE IT RESOLVED" clause, as suggested by Life of the Land, because it conflicts with the second "BE IT RESOLVED" clause; and
- (2) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 40, as amended herein, and recommends that it be referred to the Committee on Education and Military Affairs, in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Kokubun).

SCRep. 3174 Energy, Environment, and International Affairs on S.C.R. No. 63

The purpose of this measure is to request Hawaii's Congressional delegation to support legislation requiring the United State Department of Defense to locate and remove chemical and conventional munitions that were dumped at sea following World War II.

The Conservation Council for Hawaii, the Chamber of Commerce of Hawaii, and Life of the Land submitted testimony in support of this measure.

The Chamber of Commerce of Hawaii testified that the Deputy Assistant Secretary of the Army for Environment, Safety, and Public health confirmed that research indicates that chemical weapons were disposed of in five locations off the shores of Oahu. The Army is allegedly near the completion of study on the disposal of chemical weapons at sea, including the blistering agent lewisite. Your Committee finds that members of Hawaii's Congressional delegation should be urged to press for legislation requiring the United States Department of Defense to locate and remediate chemical and conventional munitions dumped at sea to protect the public and environment from potentially harmful effects.

Your Committee has amended this measure by:

- (1) Deleting the first "BE IT RESOLVED" clause, as suggested by Life of the Land, because it conflicts with the second "BE IT RESOLVED" clause; and
- (2) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Education and Military Affairs, in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Kokubun).

SCRep. 3175 Judiciary and Hawaiian Affairs on H.B. No. 3250

The purpose of this measure is to enact a monetary limit of \$25,000,000 on supersedeas bonds, except:

- (1) If the party posting the supersedeas bond is a small business concern, the amount shall not exceed \$1,000,000; or
- (2) If an appellant who has posted a supersedeas bond intentionally dissipates assets outside of the ordinary course of business to avoid paying the judgment, the amount of bond is an amount up to the judgment appealed.

Your Committee received testimony in support of this measure from The Coalition to Stop Lawsuit Abuse; The Grocery Manufacturers of America; and The Hawaii Business League.

Your Committee finds that this measure establishes fairness in litigated cases by giving greater assurance than under current law that the losing party appellant has the ability to perfect the appeal, particularly involving very large damage awards. This measure recognizes the different financial capacity of businesses by differentiating small business concerns as defined by the federal Small Business Act (P.L. 87-367) and classified as such by the Small Business Administration by its size.

On a broader scale, the right to an appeal is one of the most critical safeguards in the court litigation system. Citizens who lose at the trial level must have the ability to appeal. This measure protects that right by ensuring that the amount of the supersedeas bond bears a relationship to the financial assets of the appellant. Otherwise, an appellant may not be able to post the bond and hence lose the right to appeal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3250, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3176 Judiciary and Hawaiian Affairs on H.B. No. 386

The purpose of this measure is to repeal the jury service exemptions for most existing categories of state residents, except for jurors who served within the last year and members of the police or fire departments.

In addition, this measure adds jury service exemptions for members of an emergency medical services agency, persons who live more than seventy miles from the court for which jury service is requested, and persons who are eighty years old or older.

Your Committee received testimony in support of this measure from the Judiciary, the Department of Health, and the League of Women Voters of Hawaii. The Office of the Prosecuting Attorney for the County of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that jury service is a fundamental obligation of citizenship and the selection of a jury from a representative cross-section of the population is critical to our justice system.

Your Committee has amended this measure to change the effective date from January 1, 2096, to July 1, 2006. Your Committee also made technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3177 Judiciary and Hawaiian Affairs on H.B. No. 877

The purpose of this measure is to separate the multiple offenses of varying severity currently found in section 134-6, Hawaii Revised Statutes, relating to firearms and ammunition.

This measure also adds related class B and C felonies to the list of offenses for which criminal charges may be instituted by written information.

Your Committee received testimony in support of this measure from the Honolulu Police Department, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Department of the Prosecuting Attorney for the County of Kauai.

Your Committee finds that this measure will make it easier to determine what particular firearm or ammunition offense a person is charged or convicted under by clarifying the current law in this area.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 877, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3178 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1233

The purpose of this measure is to prohibit discrimination in public accommodations on the basis of sexual orientation.

Your Committee received testimony in support of the measure from the Hawaii Civil Rights Commission, the Hawaii Tourism Authority, the American Civil Liberties Union of Hawaii, The Center, the GLEA Foundation, the Honolulu Hawai'i NAACP, the Community Alliance on Prisons, the Hawaii State Teachers Association, the Japanese American Citizens League of Hawaii, PFLAG Oahu, Roberts Hawaii, the Gay Lesbian Bisexual and Transgendered Caucus of the Democratic Party, and twenty individuals. Nineteen individuals submitted testimony in opposition to this measure.

Your Committee finds that this measure is designed to clarify existing law with respect to sex discrimination. The current law prohibits sex discrimination in employment and housing on sexual orientation and this measure will clarify that this prohibition also applies to public accommodations.

Your Committee has amended this measure to:

- (1) Insert a purpose section to clarify that this bill would make state civil rights laws uniform by prohibiting discriminatory practices in public accommodations on the basis of sexual orientation and to further clarify that discrimination based on gender identity or expression is prohibited sex discrimination;
- (2) Add a definition for gender identity or expression; and
- (3) Provide that discriminatory practices in public accommodations on the basis of gender identity or expression is prohibited sex discrimination.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1233, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1233, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Whalen). Excused, none.

SCRep. 3179 Judiciary and Hawaiian Affairs on H.B. No. 2282

The purpose of this measure is to amend the definition of “repeat covered offender” to expressly except the conviction of multiple counts within a single charging document.

This measure also adds conviction for a covered offense, unless the person is already incarcerated, and release on probation as events requiring the covered offender to register with the attorney general. This measure also clarifies that the prosecuting agency that prosecuted the convicted offender for the most recent covered offense within the State must represent the State in any civil proceeding to terminate public access to the covered offender’s information.

Your Committee received testimony in support of the measure from the Attorney General, the City and County of Honolulu Police Department’s Criminal Investigation Division, and the Department of the Prosecuting Attorney for the County of Maui. The City and County of Honolulu Police Department’s Records and Identification Division and one individual submitted testimony in opposition to the measure. The Office of the Public Defender submitted comments on this measure.

Your Committee finds that clarification to the definition of “repeat covered offender” is needed to prevent misinterpretation and misapplication of the definition.

Your Committee has amended this measure to:

- (1) Require the attorney general to handle civil proceedings when a covered offender seeks termination to public access in accordance with testimony received from the Office of the Public Defender. This amendment also allows the attorney general, with the consent of the prosecuting agency, to designate the prosecuting agency that prosecuted the convicted offender for the most recent covered offense within the State to represent the State or, if the offender has not been convicted of a covered offense in the state, to designate the prosecuting agency in the offender’s county, with the consent of that prosecuting agency;
- (2) Restore the requirement that a covered offender required to register under the sex offender registration law and who has been absent from the offender’s registered residence for ten or more days and has failed to establish a new residence to:
 - (a) Notify the attorney general;
 - (b) Report to a police station by the last day of every month until a new residence is established and registered; and
 - (c) Upon reporting to the police station, disclose to the police where the offender has slept in the previous month;
- (3) Restore the failure to meet the report requirements in paragraph (2) in the offense of failure to comply with covered offender registration requirements;
- (4) Change the effective date from July 1, 2069, to July 1, 2006; and
- (5) Make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2282, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2282, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3180 Judiciary and Hawaiian Affairs on H.B. No. 2897

The purpose of this measure is to change the sunrise date of Act 202, Session Laws of Hawaii 2004, relating to appellate jurisdiction, which makes numerous changes concerning appellate courts, from July 1, 2006 to July 1, 2096.

Your Committee received testimony in support of this measure from the Attorney General, the Office of the Public Defender, and one individual. The Judiciary submitted testimony in opposition to this measure. The Hawaii State Bar Association submitted comments.

Your Committee finds that changes need to be made to the appellate court system but recognizes the concerns about the timing of these changes. Your Committee notes that the Hawaii State Bar Association held a meeting in regard to this measure, and while divided on the issue of the changes to the appellate court system, the Hawaii State Bar Association agreed to support postponement of the sunrise date of Act 202 to July 1, 2007.

Your Committee has amended this measure to change the sunrise date of Act 202, Session Laws of Hawaii 2004, from July 1, 2096 to January 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3181 (Joint) Energy, Environment, and International Affairs and Media, Arts, Science and Technology on S.R. No. 54

The purpose of this measure is to recognize the importance of a cultural exchange between the people of Hawai'i and the Island of Ra'iatea, and to request Ke Ala 'Olino Native Cultural Center to convene a task force to help facilitate a cultural exchange.

The Mayor of the Village of Taputapuatea and Ke Ala 'Olino Native Cultural Center submitted testimony in support of this measure.

A letter dated January 26, 2006, from Senator J. Kalani English to the Mayor of the Village of Taputapuatea, Thomas Moutame, was also submitted.

It is believed that the Polynesians who discovered and settled Hawai'i embarked from Ra'iatea and named the new land after their ancient home. Ra'iatea is considered the foundation of Polynesia's spiritual culture and has many important archaeological sites, including the Taputapuatea Marae. Your Committees find that the people of Hawaii can celebrate their common Polynesian ancestry with the people of Ra'iatea through a cultural exchange between the two communities. This measure requests Ke Ala 'Olino Native Cultural Center to convene a task force to help facilitate a cultural exchange.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 54 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Hogue).

SCRep. 3182 (Joint) Energy, Environment, and International Affairs and Media, Arts, Science and Technology on S.C.R. No. 83

The purpose of this measure is to recognize the importance of a cultural exchange between the people of Hawai'i and the Island of Ra'iatea, and to request Ke Ala 'Olino Native Cultural Center to convene a task force to help facilitate a cultural exchange.

The Mayor of the Village of Taputapuatea and Ke Ala 'Olino Native Cultural Center submitted testimony in support of this measure.

A letter dated January 26, 2006, from Senator J. Kalani English to the Mayor of the Village of Taputapuatea, Thomas Moutame, was also submitted.

It is believed that the Polynesians who discovered and settled Hawai'i embarked from Ra'iatea and named the new land after their ancient home. Ra'iatea is considered the foundation of Polynesia's spiritual culture and has many important archaeological sites, including the Taputapuatea Marae. Your Committees find that the people of Hawaii can celebrate their common Polynesian ancestry with the people of Ra'iatea through a cultural exchange between the two communities. This measure requests Ke Ala 'Olino Native Cultural Center to convene a task force to help facilitate a cultural exchange.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 83 and recommend its adoption.

Signed by the Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Hogue).

SCRep. 3183 (Joint) Intergovernmental Affairs and Commerce, Consumer Protection and Housing on S.C.R. No. 107

The purpose of this measure is to urge the county councils to assist low-income homeowners.

The Hawaii Association of Realtors submitted testimony in support of this measure.

The recent increase in real property values has resulted in an increase in real property tax assessments throughout the State. This poses a financial hardship for homeowners who now face a much larger tax obligation. Elderly residents as well as residents with low or fixed incomes are especially impacted by the increase in their tax assessments.

Your Committees find that the county councils should be urged to provide tax relief to benefit homeowners who are most negatively affected by the increase in the tax assessments, including those homeowners with incomes under \$50,000.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Inouye, Kim, Nishihara, Sakamoto).

SCRep. 3184 (Joint) Intergovernmental Affairs and Commerce, Consumer Protection and Housing on S.R. No. 63

The purpose of this measure is to urge the county councils to assist low-income homeowners.

The Hawaii Association of Realtors submitted testimony in support of this measure.

The recent increase in real property values has resulted in an increase in real property tax assessments throughout the State. This poses a financial hardship for homeowners who now face a much larger tax obligation. Elderly residents as well as residents with low or fixed incomes are especially impacted by the increase in their tax assessments.

Your Committees find that the county councils should be urged to provide tax relief to benefit homeowners who are most negatively affected by the increase in the tax assessments, including those homeowners with incomes under \$50,000.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 63 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Inouye, Kim, Nishihara, Sakamoto).

SCRep. 3185 Health on H.B. No. 2057

The purpose of this measure is to recognize cultural and religious practices associated with childbirth, with due consideration for public health, by allowing a placenta to be released by a hospital, to the woman from which it originated, upon negative findings of infection or hazard.

Your Committee finds that the rich ethnic and cultural practices of Native Hawaiian traditions are essential to sustaining the Hawaiian culture, and need protection. A long-standing and important Hawaiian cultural practice is for the family to bury the placenta or 'iewe after a child is born. Your Committee also notes that in addition to na kanaka maoli, other ethnic groups in Hawaii, including Chinese, Filipino, and Japanese, practice some form of burying the placenta to protect the child and ensure its future health.

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. 2057, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3186 Judiciary and Hawaiian Affairs on H.B. No. 771

The purpose of this measure is to provide that repeat sexual offenders who have been convicted on two prior and separate occasions for an offense under section 707-730, 707-731, 707-732, or 707-733.5 shall be placed on lifetime parole upon release from prison.

Your Committee received testimony in opposition to this measure from the Office of the Public Defender. The Hawaii Paroling Authority submitted comments on this measure.

Your Committee finds that there may be practical problems in requiring the lifetime parole of repeat sexual offenders and that more discussion is needed on this issue.

Your Committee has amended this measure to:

- (1) Allow repeat sexual offenders placed on lifetime parole to have the right to initiate a special proceeding to challenge the applicability of lifetime parole, in accordance with testimony received from the Office of the Public Defender; and
- (2) Change the effective date from July 1, 2020, to July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 771, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 771, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3187 Judiciary and Hawaiian Affairs on H.B. No. 3016

The purpose of this measure is to provide amnesty from prosecution and license suspension or revocation for minor traffic offenses when those offenses are pending at a time when the offender is sentenced to prison. This measure also provides that the Judicial Council shall conduct a review of the backlog of arrest warrants on incarcerated persons and in the general population, and make recommendations to the Legislature.

Testimony in support of this measure was submitted by the Office of the Public Defender. Testimony in opposition to this measure was submitted by the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. The Judiciary provided comments on this measure.

Your Committee finds that the backlog of unserved warrants is an issue that must be immediately addressed to ensure that the problem is not further exacerbated. However, most of the testimony received expressed concern regarding the amnesty provision in this measure.

Accordingly, your Committee has amended this measure to:

- (1) Delete the amnesty program for traffic offenses committed by a person who has been sentenced to prison for a felony;
- (2) Add a new section to chapter 604 stating that in any criminal proceeding, the court shall use due diligence in serving any outstanding traffic warrants on the defendant;
- (3) Add a new section to chapter 353 to require the Hawaii paroling authority, in the event of suspension or revocation of parole, to inform the court of all outstanding traffic warrants issued against the parolee so that warrants may be served on the parolee in a timely manner; and
- (4) Combine the two sections requiring the judicial council, through a review committee, to conduct a comprehensive review of the backlog of arrest warrants waiting to be served upon persons incarcerated in the State's correctional facilities, and the entire backlog of unserved arrest warrants, and recommend to the legislature action necessary so these warrants will be served without further delay.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3016, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3016, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3188 Judiciary and Hawaiian Affairs on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 247 CAROLYN KEHAUNANI ABAD, for a term to expire 6-30-2009

Your Committee has reviewed the resume and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Island Burial Council for the Island of Oahu.

Your Committee received testimony in support of CAROLYN KEHAUNANI ABAD from the Department of Land and Natural Resources, the 'Ilioulaokalani Coalition, the Native Hawaiian Legal Corporation, and five individuals.

Ms. Abad has approximately twenty years of experience as an educator and anthropologist. She is currently a Hawaiian Culture Specialist for Ho'okahua at Kamehameha Schools. She is proficient in reading, writing, and speaking the Hawaiian language and is experienced in visiting and working at Hawaiian cultural sites and conducting burials. Ms. Abad was the Ewa regional representative of the Hawaii Island Burial Council, Island of Oahu from 1994 to 2000.

Ms. Abad is a graduate of Kamehameha Schools and received Bachelor of Art degrees in education and anthropology from the University of Hawaii. Ms. Abad also earned both a masters degree in anthropology and a doctorate in anthropology from the University of Hawaii.

Your Committee finds that Ms. Abad's academic training, personal commitment, and years of experience in working on burial cases make her a great asset to the Hawaii Burial Council for the Island of Oahu.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3189 Judiciary and Hawaiian Affairs on Gov. Msg. No. 249

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 249 ROY W. REEBER, PH.D., for a term to expire 6-30-2007

Your Committee reviewed the resume and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Hawai'i Paroling Authority.

Your Committee received testimony in support of DR. ROY W. REEBER, Ph.D., from the Hawai'i Paroling Authority, a member of the Hawai'i Paroling Authority Parole Board, and five individuals.

Dr. Reeber has served as an interim member of the Hawai'i Paroling Authority since August 22, 2005. During that time, Dr. Reeber participated in rendering decisions on approximately 448 minimum sentencing hearings, 1,020 parole consideration or reconsideration hearings, and 208 parole violation hearings. In addition, Dr. Reeber participated in rendering decisions on approximately 422 administrative hearings that included requests for reduction of minimum sentences, requests for administrative reviews/interviews, requests for early discharge/compassionate releases, and decisions regarding pardon investigations.

Dr. Reeber received his Bachelor of Science in aerospace engineering from the United States Naval Academy in 1969. He received his Masters in Business Administration from Pepperdine University in 1976. He received his Masters in Public Administration from the University of Oklahoma in 1978, his Masters of Science in systems management in 1980 from the University of Southern California, and his juris doctorate in 1983 from Southland University. Dr. Reeber received his Doctorate of Philosophy in international business administration in 1992 from Kennedy Western University.

Dr. Reeber is also a retired naval officer. During his time in the navy, Dr. Reeber was assigned as the Provost Marshall for the Naval Air Station at Barbers Point. In that capacity, he was responsible for the physical security of the naval facilities, managing forty civil and military policemen. Dr. Reeber has been employed with GTE Hawaiian Telephone Company in various capacities from 1985 through 1993. From 1993 to the present, Dr. Reeber has been a professor and international business consultant.

Your Committee finds that the Hawai'i Paroling Authority is seeking a board member who possesses mature judgment, integrity, and insight. Your Committee finds that Dr. Reeber will continue to be a great asset to the Hawai'i Paroling Authority Parole Board and recommends his appointment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3190 Judiciary and Hawaiian Affairs on Gov. Msg. No. 259

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 259 DENISE J. JOHNSTON, for a term to expire 6-30-2010

Your Committee reviewed the resume and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Correctional Industries Advisory Committee.

Your Committee received testimony in support of DENISE J. JOHNSTON from the Department of Public Safety and an individual.

Ms. Johnston studied criminal justice at Honolulu Community College and received a bachelor's of science degree in natural sciences from Clayton College of Natural Sciences. Ms. Johnston is currently pursuing her masters degree in natural science from Clayton College of Natural Sciences. Ms. Johnston has worked as an adult corrections officer since 1984 and is currently an Adult Corrections Officer V-Lieutenant at Oahu Community Corrections Center. Ms. Johnston has received various honors and letters of appreciation for her work in corrections.

Ms. Johnston presently serves, in an interim capacity, on the Correctional Industries Advisory Board. Ms. Johnston recognizes the importance of the productivity of the corrections industry, sees the potential for growth areas in the industry, and expresses a sincere interest in serving on the Council. Your Committee finds that Ms. Johnston is familiar with the goals and responsibilities of the Council and is well qualified for appointment.

Your Committee notes that there was some concern as to whether an active adult corrections officer could also serve as a member of the Correctional Industries Advisory Committee. The Attorney General has determined that the nominee, who is a Department of Public Safety Adult Corrections Officer lieutenant at the Oahu Community Correctional Center can serve as a member of the Correctional Industries Advisory Committee, as long as her responsibility, as stated in section 345D-5, Hawaii Revised Statutes, continues to be only to advise the Department of Public Safety of the feasibility of establishing venture agreements with private sector business to utilize the services of qualified, able-bodied inmates and that her regular work assignments do not require her to interact with the Corrections Industries program or its Administrator.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3191 Judiciary and Hawaiian Affairs on Gov. Msg. No. 260

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

G.M. No. 260 DANA S. ISHIBASHI, for a term to expire 6-30-2010

Your Committee reviewed the resume and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be reappointed to the Defender Council.

Your Committee received testimony in support of DANA S. ISHIBASHI from the State Public Defender.

Mr. Ishibashi has been an attorney since 1986 and worked at the Office of the Public Defender from 1986 to 1992. He is currently in private practice specializing in criminal law. As a current member of the Defender Council, Mr. Ishibashi has been an asset to the Office of the Public Defender and has helped the Office to continue to fulfill its mission of providing effective representation to indigent persons charged with criminal offenses.

Mr. Ishibashi is seeking reappointment to the Defender Council. Your Committee finds that Mr. Ishibashi is familiar with the goals and responsibilities of the Council and is well qualified for reappointment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3192 Judiciary and Hawaiian Affairs on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 293 ELIZABETH KENT, for a term to expire 6-30-2010

Your Committee has reviewed the resume and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Commission to Promote Uniform Legislation.

Your Committee received testimony in support of ELIZABETH KENT from the Attorney General, the Department of the Attorney General Crime Prevention and Justice Assistance Division, the Office of the Administrative Director of the Judiciary, and five individuals.

Ms. Kent has been serving as a commissioner of the Commission to Promote Uniform Legislation since 1998. A graduate of the William S. Richardson School of Law, Ms. Kent is a lawyer licensed to practice law in the State of Hawaii and has served as the Deputy Director of Human Services in the executive branch. Ms. Kent is currently the Director of the Center for Alternative Dispute Resolution in the Judiciary.

As a commissioner, Ms. Kent is committed to promoting uniform legislation and has actively participated in the meetings of the Commission and of the National Conference. Since her last appointment in 2002, Ms. Kent has served as a member of the National Conference's Standby Committee on the Uniform Mediation Act, the Committee to Draft International Conciliation Amendments to the Uniform Mediation Act, the Study Committee on Public Health Emergency Response Authority, the Study on E-Government, and the Study Committee on Collaborative Law.

Your Committee finds that Ms. Kent's wealth of knowledge and experience will be an asset to the Commission and recommends her appointment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3193 Commerce, Consumer Protection and Housing on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 248 RUSSELL Y. J. CHUNG, for a term to expire 6-30-2008

Two members of the Hawaii House of Representatives, the Department of Commerce and Consumer Affairs, and two individuals testified in support of the nomination.

RUSSELL Y. J. CHUNG has over twenty-five years of diverse experience in landscape architecture in both California and Hawaii. He has been involved with various types of landscape architectural projects ranging from site design to large scale planning. The nominee has previously served as Member and Chairman on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, and has also been active in the Diamond Head Citizens Advisory Committee. He is a private citizen not connected with the motor vehicle industry.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3194 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 252, 253 and 296

Recommending that the Senate advise and consent to the nominations of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 252 JOHN PETER JAEGER, for a term to expire 12-31-2007;

G.M. No. 253 JEFF YAMANE, for a term to expire 12-31-2007; and

G.M. No. 296 ROY K. IREI, for a term to expire 6-30-2008

Your Committee received testimony in support of the nomination of JOHN PETER JAEGER from the Department of Accounting and General Services; the Department of Information Technology, City and County of Honolulu; Nextel Partners, Inc.; Yamamoto Law Group, LLLC; and Hawaiian Telcom.

Your Committee also received testimony in support of the nomination of JEFF YAMANE from the Department of Accounting and General Services; the Department of Information Technology, City and County of Honolulu; and Hawaiian Telcom.

Last, your Committee received testimony in support of the nomination of ROY K. IREI from the Department of Accounting and General Services; the Department of Information Technology, City and County of Honolulu; Hawaiian Telcom; and one individual.

All three nominees have served on the Wireless Enhanced 911 Board since its inception in November 2004. All the nominees also have extensive experience in the telecommunications industry. Mr. Jaeger has nearly twenty years of experience in the wireless communications industry and is currently responsible for the development and deployment of Nextel Partners Inc.'s wireless communications network. Mr. Yamane has over twenty-six years of experience in the telecommunications industry and is currently responsible for the overall management of technical operations for Cingular Wireless in Hawaii. Mr. Irei has worked for T-Mobile USA for six years and is currently responsible for managing all aspects of T-Mobile's network engineering and operations.

Upon review of the statements submitted by the nominees and the other testifiers, your Committee finds the aforementioned nominees will work with commitment to ensure the effective deployment of wireless enhanced 911 services throughout the State. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and abilities to contribute to the work of the Wireless Enhanced 911 Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3195 Commerce, Consumer Protection and Housing on Gov. Msg. No. 254

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 254 SAM AIONA, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs testified in support of the nomination.

SAM AIONA is Executive Director of the Office of Community Services of the Department of Labor, as well as a Loan Officer at American Pacific Mortgage. Mr. Aiona's leadership experience includes service as Chair of the Hawaii Republican Party as well as Assistant Minority Leader in the House of Representatives during 1996-1998. He is currently a member of the Cable Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3196 Commerce, Consumer Protection and Housing on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 255 FLORENTINA J. JOHNASSEN, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs, two representatives of the Hawaiian Electric Company, and three individuals testified in support of the nomination.

FLORENTINA J. JOHNASSEN, nominated as a public member, is employed as Executive Secretary to the Vice President-General Counsel of Hawaiian Electric Company. Ms. Johnassen has been involved with Toastmasters International and has served as an instructor for Brain Gym International. Additionally, the nominee is in her first term as a member representing the public, and not connected with any chiropractic school or college, on the Board of Chiropractic Examiners.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3197 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 261 and 262

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 261 DAVID RICHARD BREESE, DDS, for a term to expire 6-30-2010; and

G.M. No. 262 GAYLE CHANG, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs, the Hawaii Dental Association, and Hawaii Primary Care Association testified in support of nominee DAVID RICHARD BREESE. The Department of Commerce and Consumer Affairs, the Hawaii Dental Association, the Hawaii Dental Hygienists' Association, Kapiolani Community College, and three individuals testified in support of nominee Gayle Chang.

DAVID RICHARD BREESE, D.D.S., is a graduate of the Loyola University School of Dentistry and is licensed to practice dentistry in the states of Hawaii and Illinois. Dr. Breese has practiced dentistry at the Kokua Kalihi Valley Community Health Center Dental Clinic since 1979, prior to which he practiced with the United States Navy Dental Corps at Kaneohe Marine Corps Air Station. Additionally, Dr. Breese has served as Regional Director for the Lutheran Medical Center Dental Residency Program for dental residents at community health centers in Hawaii. The nominee is currently a practicing dentist member of the Board of Dental Examiners from the City and County of Honolulu.

GAYLE CHANG is a dental hygienist employed in various offices since 1975. Ms. Chang has also provided audit and review of dental provider records and risk management for HMSA-Blue Cross/ Blue Shield and Dental Service Management during 1995-1999. Additionally, the nominee has been a member and served various positions in the American Dental Hygienists' Association since 1975, and is currently a dental hygienist member of the Board of Dental Examiners. Although the nominee is also Hawaii Territory Corporate Sales Manager for Sunstar Butler, Inc., a provider of oral health care products to consumers and dental professionals worldwide, your Committee has been assured that the nominee is a sales representative only for consumer dental products and not for dental equipment used by professional personnel. Accordingly, your Committee finds that the nominee does not have a connection with and interest in a dental supply company within the meaning of section 448-5, Hawaii Revised Statutes, and is therefore eligible for service on the Board of Dental Examiners.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3198 Commerce, Consumer Protection and Housing on Gov. Msg. No. 269

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 269 RICHARD M. SUZUKI, P.E., for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs and one individual testified in support of the nomination.

RICHARD M. SUZUKI, P.E., is a registered professional engineer with over forty years of experience in civil engineering, specializing in infrastructure design. Mr. Suzuki is a lifetime member of the American Society of Civil Engineers and currently is Senior Project Manager for the URS Corporation. Previously he held progressively more responsible engineering positions with the State of Hawaii and the City and County of Honolulu. The nominee currently serves as a professional engineer member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3199 Commerce, Consumer Protection and Housing on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 278 FEREYDOUN DON PARSA, MD, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs, the Hawaii Medical Association, and one individual testified in support of the nomination.

FEREYDOUN DON PARSA, M.D., holds a medical degree from the Lausanne Medical School in Switzerland, and is a board-certified plastic surgeon. Dr. Parsa has been licensed to practice medicine in Hawaii since 1976. The nominee is currently engaged as Professor of Surgery and Chief of the Division of Plastic Surgery in the John A. Burns School of Medicine, University of Hawaii. Additionally, Dr. Parsa is Chief of the Plastic Surgery Division, Queen's Medical Center, and is in active private practice at the Queen's Physicians' Office Building. The nominee has participated in six Aloha Medical Missions, four to the Philippines and two to China. Dr. Parsa currently serves as a licensed surgeon member from the City and County of Honolulu on the Board of Medical Examiners.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3200 Commerce, Consumer Protection and Housing on Gov. Msg. No. 284

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 284 SHEREE AIKO KON-HERRERA, for a term to expire 6-30-2010

Testimony in support of the nomination was submitted by the Department of Commerce and Consumer Affairs.

SHEREE AIKO KON-HERRERA is an attorney in private practice with the firm of Fukunaga Matayoshi Hershey & Ching. The nominee graduated summa cum laude from Santa Clara University School of Law and subsequently clerked with the Honorable Karen N. Blondin, Judge of the First Circuit Court of the State of Hawaii. Ms. Kon-Herrera currently serves as a public member on the Board of Examiners in Naturopathy.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3201 Commerce, Consumer Protection and Housing on Gov. Msg. No. 287

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 287 TERESA SAKAI, APRN, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of TERESA SAKAI, APRN from the Department of Commerce and Consumer Affairs and two individuals.

Ms. Sakai has been a registered nurse since October 20, 1975, and has been recognized as an advanced practice registered nurse since August 3, 2001. She has been a member of the Board of Nursing since July 1, 2003, and is currently working as a Public Health Nurse with the Kauai Department of Health and as a staff nurse at Kauai Veterans Memorial Hospital. Ms. Sakai brings to the Board extensive knowledge of clinical nursing practice and a critical perspective on the effect of nursing regulations on the workplace and on patient safety.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3202 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 288 and 289

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 288 JON M. ISHIHARA, for a term to expire 6-30-2010; and

G.M. No. 289 LEE TSUYOSHI NAKAMURA, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of JON M. ISHIHARA from the Department of Commerce and Consumer Affairs and the Hawaii Optometric Association. Your Committee also received testimony in support of the nomination of LEE TSUYOSHI NAKAMURA from the Department of Commerce and Consumer Affairs.

Dr. Ishihara was appointed to the Board of Examiners in Optometry in July 2002, and currently serves as its Chairperson. Dr. Ishihara brings a wealth of knowledge to the Board as he has worked in private group practice for eighteen years and has served as a past president of the Hawaii Optometric Association. As a Board member and Chairperson, he is committed to keeping the local industry informed about the Board's activities and current trends in the practice of optometry which fosters good working relationships between various stakeholders.

Mr. Nakamura was also appointed to the Board in July 2002, and serves as a public member on the Board. Mr. Nakamura is a practicing attorney with the firm of Tom Petrus & Miller, and provides a layperson's perspectives on issues considered by the Board. Your Committee finds that he is a diligent participant of the Board and serves as an important asset to the Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3203 Commerce, Consumer Protection and Housing on Gov. Msg. No. 290

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 290 ELWIN D. H. GOO, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of DR. ELWIN D. H. GOO from the Department of Commerce and Consumer Affairs, a former member of the Board of Pharmacy, and two individuals.

Dr. Goo has served as the civilian pharmacy supervisor at Tripler Army Medical Center and Chief of the Pharmacy Service at the U.S. Army Health Clinic at Schofield Barracks for the past twenty-eight years. He oversees an ambulatory care pharmacy service that supports 35,000 military beneficiaries. He has also directed patient safety, risk management and performance improvement initiatives, and research and clinical investigations. Dr. Goo's experience also includes maintaining compliance with national pharmacy standards of the Joint Commission on Accreditation of Healthcare Organizations.

Dr. Goo was appointed to the Board of Pharmacy in July 2002, and currently serves as its Chairperson. In addition to his duties as Chairperson, Dr. Goo is the Legislative Liaison for the Board and the Board's designated item writer for the National Association of Boards of Pharmacy's North American Pharmacist Licensure Exam and the Multistate Pharmacy Jurisprudence Exam for Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3204 Commerce, Consumer Protection and Housing on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 294 KATHRYN RICE ILGEN, DVM, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of KATHRYN RICE ILGEN, DVM, from the Department of Commerce and Consumer Affairs.

Dr. Ilgen has been a licensed veterinarian in Hawaii since September 11, 1991. She has actively practiced veterinary medicine at the Makawao Veterinary Clinic in upcountry Maui since 1991. As a member of both the American Veterinary Medical Association and the Hawaii Veterinary Medical Association, Dr. Ilgen is familiar with the issues addressed by the Board of Veterinary Examiners.

Dr. Ilgen has served on the Board since July 1, 2002, and is one of five members who must be a veterinarian who has been licensed to practice for at least five years and is currently active in the practice of veterinary medicine. Your Committee finds that, as a current board member, Dr. Ilgen is a diligent, thorough, and dedicated member of the Board who should be reappointed.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3205 (Joint) Health and Media, Arts, Science and Technology on S.R. No. 77

The purpose of this measure is to acknowledge the Legislature's support of the Hawaii Health Information Exchange, Inc. and to request the Department of Health to participate in this medical information exchange system.

Your Committees received testimony in support of this measure from the Hawaii Health Information Exchange, Inc. and the Hawaii Science and Technology Council. Your Committee received testimony in support of the intent of this measure from the Department of Health.

Your Committees find that electronic exchange of medical information will be the new standard for medical care in the coming decade. An electronic health records system that is rapid and secure will enable coordinated health care delivery which will result in better patient outcomes and will be cost-efficient to the health care system as a whole.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 77 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Hanabusa, Ige, Whalen).

SCRep. 3206 (Joint) Health and Media, Arts, Science and Technology on S.C.R. No. 129

The purpose of this measure is to acknowledge the Legislature's support of the Hawaii Health Information Exchange, Inc. and to request the Department of Health to participate in this medical information exchange system.

Your Committees received testimony in support of this measure from the Hawaii Health Information Exchange, Inc. and the Hawaii Science and Technology Council. Your Committee received testimony in support of the intent of this measure from the Department of Health.

Your Committees find that electronic exchange of medical information will be the new standard for medical care in the coming decade. An electronic health records system that is rapid and secure will enable coordinated health care delivery which will result in better patient outcomes and will be cost-efficient to the health care system as a whole.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 129 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Hanabusa, Ige, Whalen).

SCRep. 3207 Energy, Environment, and International Affairs on S.C.R. No. 184

The purpose of this measure is to request the Department of Health to include the use of bioremediation methods to prevent and mitigate water pollution in its best management practices and programs.

The Hawaii Crop Improvement Association and the Partners in Development Foundation submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

According to the Hawaii Crop Improvement Association, "The vast majority of bioremediation applications use naturally occurring microorganisms to identify and filter manufacturing waste before it is introduced into the environment or to clean up existing pollution problems." The Department of Health expressed its concern that "the use of bioremediation has not been properly addressed by other agencies having responsibility over flood control, debris maintenance and use of biological agents."

Your Committee finds that the use of bioremediation methods will reduce the State's dependence on conventional methods, such as incineration and waste dumpsites, and will reduce the introduction of chemical agents into the environment.

Upon further consideration, your Committee amended this measure by narrowing the application of bioremediation methods to instances where it will not substantially impede water flow.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 184, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 184, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hooser).

SCRep. 3208 (Joint) Health and Human Services on S.R. No. 70

The purpose of this measure is to request the State of Hawaii to consider the merits of recognizing hypnotherapy as a legitimate profession, and hypnotherapists as providers of human services separate and independent from other mental health professions.

Your Committees received testimony in support of this measure from the Hawaii Hypnotherapy Association, Aloha Chapter of the National Guild of Hypnotherapists, and three individuals.

Your Committees find that hypnotherapy is a legitimate form of alternative health care and is listed as a separate profession in the United States Department of Labor's Dictionary of Occupational Titles.

Your Committees have amended this measure by making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 70, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 70, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 3209 (Joint) Health and Human Services on S.C.R. No. 119

The purpose of this measure is to request the State of Hawaii to consider the merits of recognizing hypnotherapy as a legitimate profession, and hypnotherapists as providers of human services separate and independent from other mental health professions.

Your Committees received testimony in support of this measure from the Hawaii Hypnotherapy Association, Aloha Chapter of the National Guild of Hypnotherapists, and three individuals.

Your Committees find that hypnotherapy is a legitimate form of alternative health care and is listed as a separate profession in the United States Department of Labor's Dictionary of Occupational Titles.

Your Committees have amended this measure by making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 119, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 119, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 3210 Commerce, Consumer Protection and Housing on H.B. No. 1968

The purpose of this measure is to permit the direct shipment of wine into the State by persons with a Hawaii class 1 license or another state's license to manufacture wine, upon obtaining a wine direct shipper permit.

Testimony in support of this measure was submitted by the Wine Institute and Tedeschi Vineyards, Ltd. Testimony in opposition to this measure was submitted by Retail Merchants of Hawaii and the Hawaii Food Industry Association.

Your Committee finds that further discussion is needed on the number of cases of wine that a direct wine shipper permit holder may sell and ship into the State. Accordingly, your Committee has amended this measure by changing the effective date from July 1, 2096, to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1968, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3211 Commerce, Consumer Protection and Housing on H.B. No. 2434

The purpose of this measure is to ensure that purchasers of annuities understand certain basic features of annuities.

Testimony in support of the measure was submitted by the Insurance Commissioner, Department of Commerce and Consumer Affairs; the American Council of Life Insurers; the National Association of Insurance and Financial Advisors; and State Farm Insurance Companies.

Your Committee finds that this measure adopts the Annuity Disclosure Model Regulation drafted by the National Association of Insurance Commissioners and adopted by eight other states in its current form, and by ten other states in various forms. The law applies only to fixed and not variable annuities, and requires that information about guaranteed and non-guaranteed elements of the annuity contract be given to consumers in a "disclosure document" along with a "buyers guide" at or before the time of application.

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

- (1) Changing the title of §431:10D-C to refer to the disclosure document and buyer's guide as proposed by the Insurance Commissioner;
- (2) Amending paragraph (a) of §431:10D-C to more closely conform to the model regulation as proposed by the American Council of Life Insurers and as recommended by the Insurance Commissioner; and
- (3) Changing the effective date from "upon approval" to "January 1, 2007," as proposed by the American Council of Life Insurers, to afford insurance companies time to conform to the new requirements.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2434, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3212 Judiciary and Hawaiian Affairs on H.B. No. 2780

The purpose of this measure is to allow a person sentenced prior to July 1, 2004, for a first time drug offense pursuant to section 706-622.5, Hawaii Revised Statutes, who has completed a drug treatment program and complied with the terms set by the court, to apply for expungement of the record of conviction.

Your Committee received testimony in support of this measure from the Office of the Public Defender, the Community Alliance on Prisons, and one individual. The Department of the Prosecuting Attorney for the City and County of Honolulu submitted comments on this measure.

Your Committee finds that this measure is intended to correct a drafting error in Act 161, Session Laws of Hawaii 2002, which authorized an expungement of the record of arrest rather than an expungement of the record of conviction. This error was corrected by Act 44, Session Laws of Hawaii 2004, which authorized the expungement of the record of conviction but did so only prospectively from its effective date of July 1, 2004. This led to the inconsistent result of some defendants being permitted to expunge their record of conviction and others not being able to do so. This measure is intended to permit those defendants sentenced prior to Act 44 to expunge their record of conviction.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2780, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2780, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3213 Judiciary and Hawaiian Affairs on H.B. No. 3101

The purpose of this measure is to establish reporting conditions and penalties for failure to file or correct campaign spending reports.

This measure also:

- (1) Exempts accounting services by a treasurer and deputy treasurer from definitions of "contributions" and "expenditures";
- (2) Adds an aggregate contribution limit of \$25,000 by any one person to any number of candidates, and includes loans in definition of "contributions";
- (3) Removes the exemption of immediate family from the contribution limit;
- (4) Requires that advertisements include name and address of payor on advertisements and envelopes;
- (5) Deletes the prohibition of knowing solicitation of contributions by state contractors; and
- (6) Establishes conditions under which two or more corporations are treated as one person for the purposes of campaign contribution limits.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, the League of Women Voters of Hawaii, and four individuals.

Your Committee finds that are concerns regarding the aggregate contribution limit of \$25,000 by any one person to a number of candidates. The Attorney General has testified that this provision of the measure will likely withstand a challenge. Your Committee further notes a concern regarding treating a loan as a contribution because if a loan is a contribution, then a candidate may only take out a loan up to the maximum allowable contribution. As this measure proceeds to conference, your Committee requests that these issues be discussed further.

Your Committee has amended this measure to:

- (1) Clarify the advertising requirements under section 11-215, Hawaii Revised Statutes, in accordance with the testimony submitted by the Campaign Spending Commission;
- (2) Re-insert the exemption for loans made by a financial institution in the ordinary course of business;
- (3) Re-insert the exemption for family member contributions;
- (4) Delete section 8 to retain the existing law that a loan is not a campaign contribution; and
- (5) Make technical, non-substantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3101, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3101, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3214 Judiciary and Hawaiian Affairs on H.B. No. 3242

The purpose of this measure is to prohibit the consumption of intoxicating liquor by anyone under the age of twenty-one years.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Maui Prosecuting Attorney, Hawaii Food Industry Association, Mothers Against Drunk Driving Hawaii, and MADD-Hawaii Youth In Action.

Your Committee finds that current law prohibits possession and custody of liquor by a minor, but does not prohibit consumption of liquor by a minor. According to the National Academy of Sciences report on *Underage Drinking*, June 2005, "The minimum drinking age laws of each state should prohibit the purchase or attempted purchase, possession, and consumption of alcoholic beverages by persons under 21." Soon after this report, the Pacific Institute for Research and Evaluation found that Hawaii had only ten of twenty recommended underage drinking laws. According to testimony of the Honolulu Police Department, thirty-seven states have "consumption" in their minimum drinking age statutes.

The Department of Health 2003 Student Survey concluded that there has been a decrease in youth alcohol consumption in grades six, eight, ten, and twelve. Those in grades ten and twelve showed less of a decrease than those in the sixth and eighth grades. The report on the survey concluded that those surveyed in the tenth and twelfth grades showed a 59.1 and 72.5 percent lifetime use rate in 2003. The majority of tenth and twelfth graders have tried alcohol in their lifetime and nearly half of the seniors have reported being drunk. In a monthly trend, of those having a drink in the past thirty days, it showed that twenty-seven percent of tenth graders and thirty-six percent of twelfth graders had consumed alcohol. The consumption of alcohol among the young becomes a health problem in that it affects the development of the brain at that young age. This alters the learning process in a way that may lead to behavioral problems.

Your Committee has amended this measure by adding "consumption" to "possession or custody" as a conforming amendment to accommodate consumption of alcohol as a part of a minor's authorized participation in religious ceremonies.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3242, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3215 Judiciary and Hawaiian Affairs on H.B. No. 3256

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

Your Committee finds that all parties testifying on this measure indicated that the recommendations originally submitted to the Legislature were a collaborative effort. Everyone submitting testimony complimented the work of the Committee to Conduct a Comprehensive Review of the Hawaii Penal Code and Judge Steve Alm's leadership as the chair of the Committee.

Your Committee received testimony in support of this measure from the Attorney General, the Crime Victim Compensation Commission, the Disability and Communication Access Board, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Office of the Prosecuting Attorney for the County of Kauai, the Office of the Prosecuting Attorney for the County of Maui, the Honolulu Police Department, the Hawaii Disability Rights Center, the Sex Abuse Treatment Center, and the Hawaii State Coalition Against Domestic Violence. The Office of the Public Defender submitted comments on this measure.

Your Committee has amended this measure to restore it to the original version to reflect the recommendations of the Committee to Conduct a Comprehensive Review of the Hawaii Penal Code, and to make technical changes for conformance and stylistic purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3256, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3256, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3216 Judiciary and Hawaiian Affairs on H.B. No. 2208

The purpose of this measure is to extend the statute of limitation for actions against a county for damage or injury from six months to two years, and to permit the counties to identify by charter which person a claimant should give notice of claim for injuries or damage sustained on public property or as a result of the negligence of a county official or employee.

Your Committee received testimony in support of this measure from the Consumer Lawyers of Hawaii. Testimony in opposition was received from the Honolulu Corporation Counsel.

According to the Consumer Lawyers of Hawaii, the Hawaii Supreme Court ruled in *Kahale v. City and County of Honolulu*, 104 Hawaii 341 (2004), that section 46-72, Hawaii Revised Statutes, is the statute of limitations applicable to actions against the counties.

This decision overruled an earlier decision of the court that had previously determined the applicable statute of limitations to be two years. *Kahale* found that the applicable statute of limitations for actions against the counties is six months. Prior to the recent court decision, the counties were subject to the same limitation as the state and federal governments, which is two years.

Your Committee finds that there is no cogent reason that a county should have a different time limitation than the other levels of government. All levels of government should operate under the same two-year statute of limitation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3217 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 2691

The purpose of this measure is to allow civil actions under chapter 104, Hawaii Revised Statutes, for injunctive and other relief to be instituted by a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978.

Your Committee received testimony in support of this measure from the Hawaii Carpenters Union. The Department of Labor and Industrial Relations submitted testimony in opposition.

Your Committee finds that the current law allows laborers and mechanics to bring suit to recover wages or overtime compensation but fails to contemplate situations where the aggrieved individual is essentially prevented from seeking redress because of lack of information and resources, the fear of retaliation, or the inability to obtain injunctive relief against an employer who is continuously in violation of the law. This measure provides an additional remedy and safeguard and will assist in ensuring that prevailing wage laws are followed.

Your Committee has amended this measure to insert a defective effective date to promote further discussion on this matter.

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

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Whalen). Excused, none.

SCRep. 3218 Judiciary and Hawaiian Affairs on H.B. No. 2885

The purpose of this measure is to require businesses and individuals that sell adult entertainment products to:

- (1) Display these products separately from other products sold on the premises; and
- (2) Obscure these products from any direct line of vision from off the premises.

Your Committee received testimony in support of this measure from the Hawaii Family Forum, the Hawaii Catholic Conference, and eleven individuals.

Your Committee finds that requiring businesses and individuals that sell adult entertainment products to display these products separately and obscure them from being viewed by an individual located off their premises will protect the general public, especially minors, from being involuntarily exposed to these types of products.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2885, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3219 Intergovernmental Affairs on S.C.R. No. 217

The purpose of this measure is to request the counties to adopt an ordinance to participate in the National Flood Insurance Program Community Rating System to obtain monetary discounts in purchasing flood insurance.

The Department of Defense, the Hawaii Association of Realtors, and one individual submitted testimony in support of this measure.

Your Committee finds that all county governments should participate in the National Flood Insurance Program's Community Rating System. Homeowners, renters, and businesses can protect their real and personal property by obtaining flood insurance before a flooding event occurs. Enrollment in the National Flood Insurance Program's Community Rating System provides a discount on flood insurance. Maui County currently participates and its residents receive a five percent discount on policies for low to moderate flood risk areas and a ten percent discount for policies for special flood hazard areas or high risk flood areas.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 217 and recommends that it be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Inouye).

SCRep. 3220 Intergovernmental Affairs on S.R. No. 147

The purpose of this measure is to request the counties to adopt an ordinance to participate in the National Flood Insurance Program Community Rating System to obtain monetary discounts in purchasing flood insurance.

The Department of Defense, the Hawaii Association of Realtors, and one individual submitted testimony in support of this measure.

Your Committee finds that all county governments should participate in the National Flood Insurance Program's Community Rating System. Homeowners, renters, and businesses can protect their real and personal property by obtaining flood insurance before a flooding event occurs. Enrollment in the National Flood Insurance Program's Community Rating System provides a discount on flood insurance. Maui County currently participates and its residents receive a five percent discount on policies for low to moderate flood risk areas and a ten percent discount for policies for special flood hazard areas or high risk flood areas.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 147 and recommends that it be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Inouye).

SCRep. 3221 Health on S.C.R. No. 77

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study and analysis of the adequacy of payments for health care funded by the State and the adequacy of payments for health care using rates established by the State.

Your Committee received testimony in support of this measure from Kaiser Permanente, the Healthcare Association of Hawaii, and the Hawaii Long Term Care Association. The Legislative Reference Bureau submitted comments in response to this measure.

Your Committee finds that Hawaii's health care infrastructure is in critical financial condition and is experiencing a severe shortage of physicians. The Legislative Reference Bureau is a neutral agency that could appropriately conduct research into reimbursements and costs affecting health care providers.

Your Committee has adopted the recommendations of the Legislative Reference Bureau and has amended this measure by narrowing the scope of the study specifically to providers of Medicaid and QUEST recipients.

Your Committee further amended this measure by requesting that the study include:

- (1) Processes implemented by other jurisdictions or as recommended by experts that try to ensure that state-funded health care payments to Medicaid providers adequately reimburse them for their actual costs;
- (2) A comparison of rates for the ten most frequently used services in Medicaid and QUEST health care services, actual costs of those services, and the amount reimbursed to the provider; and
- (3) A survey of nationwide benchmarks to determine how Hawaii compares to other jurisdictions regarding provider payments and reimbursements for at least the ten most frequently used Medicaid and QUEST health procedures.

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. 77, as amended herein, and recommends that it be referred to the Committee on Commerce, Consumer Protection, and Housing, in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3222 Transportation and Government Operations on S.R. No. 78

The purpose of this measure is to request the Department of Land and Natural Resources to form a task force to recommend solutions to abate and prevent the accumulation of sediment in Wailoa River and Hilo Bay.

Your Committee received comments on this measure from the Department of Land and Natural Resources. Testimony in opposition was received from one individual.

The Wailoa River discharges into Hilo Bay and is one of the major sources of sediment in Hilo Bay. The movement of water of the Wailoa River is generally insufficient to flush out silt and mud. Wailoa River and Hilo Bay are subject to chronic nonpoint source sewage pollution with high bacterial counts.

Your Committee finds that the sediment accumulation in the Wailoa River eventually deposits into the Hilo Bay which causes water pollution of the bay and is a public health hazard.

Your Committee has amended this measure by deleting the task force and substituting language to request the Department of Land and Natural Resources to study the problem and make recommendations to the Legislature before the 2007 Session, and by changing the title of this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3223 Transportation and Government Operations on S.C.R. No. 44

The purpose of this measure is to request the Auditor to conduct a management audit of the capital improvement projects of the Department of Transportation.

Your Committee received comments on this measure from the Department of Transportation.

The Department of Transportation performs numerous capital improvement projects for the design, construction, maintenance, and repair of roads, highways, harbors, and airports. Your Committee finds that a management audit could provide information and advice for improvements to expedite the work.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3224 Transportation and Government Operations on S.C.R. No. 130

The purpose of this measure is to request the Department of Land and Natural Resources to form a task force to recommend solutions to abate and prevent the accumulation of sediment in Wailoa River and Hilo Bay.

Your Committee received comments on this measure from the Department of Land and Natural Resources. Testimony in opposition was received from one individual.

The Wailoa River discharges into Hilo Bay and is one of the major sources of sediment in Hilo Bay. The movement of water of the Wailoa River is generally insufficient to flush out silt and mud. Wailoa River and Hilo Bay are subject to chronic nonpoint source sewage pollution with high bacterial counts.

Your Committee finds that the sediment accumulation in the Wailoa River eventually deposits into the Hilo Bay which causes water pollution of the bay and is a public health hazard.

Your Committee has amended this measure by deleting the task force and substituting language to request the Department of Land and Natural Resources to study the problem and make recommendations to the Legislature before the 2007 Session, and by changing the title of this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.C.R. No. 130, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3225 Transportation and Government Operations on S.C.R. No. 194

The purpose of this measure is to request the Department of Transportation to install a lighted crosswalk on Kamehameha Highway in Kaneohe, Oahu, at the crosswalk between Lilipuna Road and Mehana Street.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that most of the pedestrian deaths in Hawaii have occurred along major roadways, such as Kamehameha and Farrington Highways, and major collector roads that feed into main thoroughfares. Though there is a marked crosswalk in this segment of Kamehameha Highway, crossing the street remains hazardous for pedestrians, as evidenced by a pedestrian fatality that occurred in that crosswalk in late 2005. Poor visibility of pedestrians in crosswalks, such as the crosswalk in this segment of Kamehameha Highway, is of major concern.

Your Committee has amended this measure by substituting the Department of Transportation Services of the City and County of Honolulu for the Department of Transportation as the agency with the proper jurisdiction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194, 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. 194, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3226 Transportation and Government Operations on S.R. No. 129

The purpose of this measure is to request the Department of Transportation to install a lighted crosswalk on Kamehameha Highway in Kaneohe, Oahu, at the crosswalk between Lilipuna Road and Mehana Street.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that most of the pedestrian deaths in Hawaii have occurred along major roadways, such as Kamehameha and Farrington Highways, and major collector roads that feed into main thoroughfares. Though there is a marked crosswalk in this segment of Kamehameha Highway, crossing the street remains hazardous for pedestrians, as evidenced by a pedestrian fatality that occurred in that crosswalk in late 2005. Poor visibility of pedestrians in crosswalks, such as the crosswalk in this segment of Kamehameha Highway, is of major concern.

Your Committee has amended this measure by substituting the Department of Transportation Services of the City and County of Honolulu for the Department of Transportation as the agency with the proper jurisdiction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.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.R. No. 129, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3227 Judiciary and Hawaiian Affairs on S.C.R. No. 137

The purpose of this measure is to urge the Association of Hawaiian Civic Clubs and the State of Hawaii to affirm and support the historic, cultural, and sacred significance of Mauna`ala.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Charles R. Bishop Trust, the Association of Hawaiian Civic Clubs, and one individual.

Your Committee finds that since 1865, Mauna`ala has been the resting place of the ali`i of the Kamehameha and Kalakaua dynasties. For years, groups such as the Association of Hawaiian Civic Clubs, various other civic clubs, the Charles R. Bishop Trust, and the students of Kamehameha Schools have all contributed to the care and maintenance of Mauna`ala. Your Committee further finds that Mauna`ala is a unique cultural treasure and is deserving of appropriate care and upkeep by the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3228 (Joint) Health and Intergovernmental Affairs on S.C.R. No. 86

The purpose of this measure is to request the Department of Health to study the health impacts of the Waimanalo Gulch landfill on the workers of the landfill and the surrounding communities.

Your Committees received testimony in support of this measure from the Life of the Land. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that the health of the landfill workers and surrounding communities is a priority to the State and that these individuals should not be exposed to environmental risks.

The Department of Health submitted testimony stating that the health impact studies requested by this measure have already been initiated and are under way. Your Committees further find that the Department of Health has commenced enforcement litigation against the Waste Management of Hawaii, Inc. and City and County of Honolulu regarding eighteen violations of the operating permit for the landfill.

In response to the Department of Health's testimony, your Committees have amended this measure by requesting the Department of Health to submit an interim and final report as to the status of the pending litigation.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 86, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 86, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Hanabusa, Inouye, Kim, Tsutsui).

SCRep. 3229 (Joint) Health and Human Services on S.C.R. No. 115

The purpose of this measure is to request the Executive Office on Aging to convene a focus group to assess yearly service needs and long-term planning for Kupuna Care.

Your Committees received testimony in support of this measure with comments from the Executive Office on Aging, the City and County of Honolulu Department of Community Services, the Policy Advisory Board for Elder Affairs, and Catholic Charities Hawaii.

Your Committees find that Kupuna Care has proven to be a successful program that assists elderly individuals in remaining independent and avoiding institutionalization and homelessness. In order for this program to address the growing elderly population and remain successful in the upcoming years, a focus group is needed to assess the yearly service delivery needs and to develop a strategic long-term plan for Kupuna Care.

Your Committees have amended this measure in response to testimony submitted by Catholic Charities Hawaii by clarifying that an additional critical step to ensure an efficient service delivery system includes increased funding for the provision of current and needed Kupuna Care services.

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. 115, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 115, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hanabusa, Kokubun, Whalen).

SCRep. 3230 (Joint) Health and Human Services on S.C.R. No. 108

The purpose of this measure is to urge the United States Congress to examine the public policy underlying the recovery of medical assistance payments.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that current federal statutes allow lien exemptions for a sibling who has resided in the home for one year and who has an equity interest in the home, for disabled or minor children, and spouses. A lien exemption should also apply to adult, non-disabled children residing for at least one year in the home and who have an equity interest in the home. Allowing a Medicaid agency to place a lien on a beneficiary's home often causes financial hardship for the beneficiary's adult child, particularly when he or she has resided in the home for a long period of time.

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. 108 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Tsutsui).

SCRep. 3231 Transportation and Government Operations on S.C.R. No. 45

The purpose of this measure is to request Hawaii's congressional delegation to seek federal grants from the United States Office for Domestic Preparedness for the State Department of Defense.

Your Committee received testimony in support of this measure from the State Department of Defense.

The goal of the federal Office for Domestic Preparedness grant program is to provide funding to enhance the capacity of state and local jurisdictions to prevent, respond to, and recover from incidents of terrorism involving chemical, biological, radiological, nuclear, or explosive weapons and cyber attacks. The State Department of Defense has sought an appropriation of \$45,000,000 in the Regular Session of 2006.

Your Committee finds that any federal grants to the State Department of Defense to provide homeland security would immensely help the State's civil defense plans.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3232 Transportation and Government Operations on S.R. No. 26

The purpose of this measure is to request Hawaii's congressional delegation to seek federal grants from the United States Office for Domestic Preparedness for the State Department of Defense.

Your Committee received testimony in support of this measure from the State Department of Defense.

The goal of the federal Office for Domestic Preparedness grant program is to provide funding to enhance the capacity of state and local jurisdictions to prevent, respond to, and recover from incidents of terrorism involving chemical, biological, radiological, nuclear, or explosive weapons and cyber attacks. The State Department of Defense has sought an appropriation of \$45,000,000 in the Regular Session of 2006.

Your Committee finds that any federal grants to the State Department of Defense to provide homeland security would immensely help the State's civil defense plans.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3233 Transportation and Government Operations on S.C.R. No. 46

The purpose of this measure is to request the Department of Transportation to comply with county ordinances and standards relating to outside lighting at airports and harbors, and to provide cut-off or fully shielded lens fixtures to direct artificial lighting downward to prevent diffusion the light into the atmosphere, on the island of Hawaii and the island of Maui.

Your Committee received testimony in support of this measure from the Department of Transportation; State Department of Defense; three Maui County Council Members; the University of Hawaii Institute for Astronomy; and one individual. Comments were received from the National Electrical Manufacturers Association.

Hawaii is home to two of the world's premier astronomy observatories, Haleakala on Maui and Mauna Kea on Hawaii. One of the most critical needs for preserving the value of these sites is to reduce bright sources of light that illuminate the dark night sky. Recent nighttime images from the international space station revealed that some of the brightest sources of light on Maui and Hawaii are the airports and harbors on both islands. Astronomers on Mauna Kea are now detecting artificial light sources from urban areas that diminish the telescopes' ability to do research.

Your Committee finds that it is essential that the Department of Transportation take immediate steps to diminish the adverse effects on astronomy of bright night lights at airports and harbors on the island of Hawaii and the island of Maui.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3234 Transportation and Government Operations on S.R. No. 27

The purpose of this measure is to request the Department of Transportation to comply with county ordinances and standards relating to outside lighting at airports and harbors, and to provide cut-off or fully shielded lens fixtures to direct artificial lighting downward to prevent diffusion the light into the atmosphere, on the island of Hawaii and the island of Maui.

Your Committee received testimony in support of this measure from the Department of Transportation; State Department of Defense; three Maui County Council Members; the University of Hawaii Institute for Astronomy; and one individual. Comments were received from the National Electrical Manufacturers Association.

Hawaii is home to two of the world's premier astronomy observatories, Haleakala on Maui and Mauna Kea on Hawaii. One of the most critical needs for preserving the value of these sites is to reduce bright sources of light that illuminate the dark night sky. Recent nighttime images from the international space station revealed that some of the brightest sources of light on Maui and Hawaii are the airports and harbors on both islands. Astronomers on Mauna Kea are now detecting artificial light sources from urban areas that diminish the telescopes' ability to do research.

Your Committee finds that it is essential that the Department of Transportation take immediate steps to diminish the adverse effects on astronomy of bright night lights at airports and harbors on the island of Hawaii and the island of Maui.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 27 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3235 Transportation and Government Operations on S.C.R. No. 110

The purpose of this measure is to request the department of transportation to create a comprehensive statewide pedestrian safety action plan.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Keiki Injury Prevention Coalition, Na Kama Hele, and three individuals.

Walking is an increasingly popular transportation option and recreational activity, and as a result, well-designed, continuous, connected sidewalks with safe crossings are highly valued. Hawaii reportedly has among the highest rates of pedestrian fatalities in the nation, the highest fatality rate for senior pedestrians age 65 years and older, and the eleventh highest pedestrian fatality rate for all ages.

Your Committee finds that there is a need to build better communities by consciously providing and adequately maintaining a continuous network of sidewalks, pathways and safe and accessible crossings for pedestrians and to make sidewalks and pathways friendly to persons using wheelchairs, strollers, or other mobility aids.

According to testimony of the Department of Transportation, it is addressing the issue of pedestrian safety through a multi-pronged approach that includes formation of the Walk Wise Hawaii Coalition, development of a strategic highway safety plan, organization of a pedestrian safety action plan and design, and development of a highway safety plan with pedestrian safety as a top priority. Your Committee requests the Department of Transportation to include more elaboration on these projects in its report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3236 Transportation and Government Operations on S.R. No. 66

The purpose of this measure is to request the department of transportation to create a comprehensive statewide pedestrian safety action plan.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Keiki Injury Prevention Coalition, Na Kama Hele, and three individuals.

Walking is an increasingly popular transportation option and recreational activity, and as a result, well-designed, continuous, connected sidewalks with safe crossings are highly valued. Hawaii reportedly has among the highest rates of pedestrian fatalities in the nation, the highest fatality rate for senior pedestrians age 65 years and older, and the eleventh highest pedestrian fatality rate for all ages.

Your Committee finds that there is a need to build better communities by consciously providing and adequately maintaining a continuous network of sidewalks, pathways and safe and accessible crossings for pedestrians and to make sidewalks and pathways friendly to persons using wheelchairs, strollers, or other mobility aids.

According to testimony of the Department of Transportation, it is addressing the issue of pedestrian safety through a multi-pronged approach that includes formation of the Walk Wise Hawaii Coalition, development of a strategic highway safety plan, organization of a pedestrian safety action plan and design, and development of a highway safety plan with pedestrian safety as a top priority. Your Committee requests the Department of Transportation to include more elaboration on these projects in its report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3237 (Joint) Health and Intergovernmental Affairs on S.R. No. 56

The purpose of this measure is to request the Department of Health to study the health impacts of the Waimanalo Gulch landfill on the workers of the landfill and the surrounding communities.

Your Committees received testimony in support of this measure from the Life of the Land. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that the health of the landfill workers and surrounding communities is a priority to the State and that these individuals should not be exposed to environmental risks.

The Department of Health submitted testimony stating that the health impact studies requested by this measure have already been initiated and are under way. Your Committees further find that the Department of Health has commenced enforcement litigation

against the Waste Management of Hawaii, Inc. and City and County of Honolulu regarding eighteen violations of the operating permit for the landfill.

In response to the Department of Health's testimony, your Committees have amended this measure by requesting the Department of Health to submit an interim and final report as to the status of the pending litigation.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 56, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Hanabusa, Inouye, Kim, Tsutsui).

SCRep. 3238 Transportation and Government Operations on Gov. Msg. No. 313

Recommending that the Senate advise and consent to the nomination of the following:

STATE PROCUREMENT ADMINISTRATOR

G.M. No. 313 AARON S. FUJIOKA, for a term to expire 10-16-2009

Your Committee received testimony in support of the nominee from the Department of Accounting and General Services; Staff of the State Procurement Office; Executive Officer and Staff of the Land Use Commission; Hawaii Tourism Authority; Hawaii County Finance Department; Aloha Harvest; Coalition of Hawaii Engineering and Architectural Professionals; The Hawaii Business League; National Association of Social Workers; The Salvation Army-Family Intervention Services; ORI Anuenue Hale, Inc.; Hale 'Opio Kauai, Inc.; Kauahikaua & Chun / Architects; Catholic Charities Hawaii; American Council of Engineering Companies of Hawaii; and two individuals.

AARON S. FUJIOKA received a B.S. degree in Human Resources Development and an M.S.W. degree in Administration from the University of Hawaii at Manoa. He has been the Administrator and Chief Procurement Officer of the State Procurement Office, Department of Accounting and General Services, since 2001. However, he briefly served as the Special Advisor to the Department of Community Services, City and County of Honolulu, from March 2005 to October 2005. The nominee has served in various administrative procurement positions with the Department of Accounting and General Services since 1997, including Assistant Administrator, Procurement Officer, and Procurement Manager. Previously, he performed procurement and planning functions for the Office of Community Services of the Department of Labor and Industrial Relations, and the Executive Office on Aging.

Mr. Fujioka is Director of the Western States Contracting Alliance, and Administrator of the State Purchase of Service Team. He is also a member of the Access Hawaii Committee, National Association; the National Association of State Procurement Officials; National Institute of Governmental Purchasing, and Hawaii Accounting and Audit Review Committee.

Your Committee is impressed with Mr. Fujioka's personal statement that the State Procurement Office continues its efforts to build public confidence and to enhance the transparency of procurement operations. He states that he will continue to advocate for the consistent application of the procurement statutes and rules, and will work conscientiously at making fair and informed decisions.

Furthermore, your Committee notes that the nominee has been an invaluable resource to the Legislature on procurement issues.

With over twenty years of experience in public procurement, contracts management, and planning and program development, Aaron S. Fujioka is eminently qualified for the position to which he is nominated.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kanno, Menor).

SCRep. 3239 Human Services on S.C.R. No. 2

The purpose of this measure is to request the Department of Human Services to conduct a study and recommend solutions for the current shortage of daycare providers, facilities, and services in the State.

Your Committee received testimony in support of the measure from the Department of Human Services.

Your Committee finds that this measure will enable the Department of Human Services to evaluate the daycare shortage in the State, particularly daycare for infants and toddlers, and to identify methods by which to increase the number of providers, facilities, and services without diminishing their quality.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and 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 concurs with the intent and purpose of S.C.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3240 Human Services on S.C.R. No. 43

The purpose of this measure is to urge Hawaii's Congressional delegation to support legislation that assists hungry Americans.

One member of the Hawaii State Senate and the Hawaii Food Bank submitted testimony in support of the measure.

Your Committee finds that an important element of the crusade to end hunger in America is providing incentives for charitable contributions. This measure urges Hawaii's Congressional delegation to support the passage of laws that provide incentives to businesses and individuals for charitable contributions to hunger relief programs. It further urges the delegation to support adequate funding for all federal nutrition programs, including the Food Stamp Program and the Commodity Supplemental Food 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 concurs with the intent and purpose of S.C.R. No. 43 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3241 Human Services on S.R. No. 24

The purpose of this measure is to urge Hawaii's Congressional delegation to support legislation that assists hungry Americans.

One member of the Hawaii State Senate and the Hawaii Food Bank submitted testimony in support of the measure.

Your Committee finds that an important element of the crusade to end hunger in America is providing incentives for charitable contributions. This measure urges Hawaii's Congressional delegation to support the passage of laws that provide incentives to businesses and individuals for charitable contributions to hunger relief programs. It further urges the delegation to support adequate funding for all federal nutrition programs, including the Food Stamp Program and the Commodity Supplemental Food 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 concurs with the intent and purpose of S.R. No. 24 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3242 Human Services on S.C.R. No. 51

The purpose of this measure is to support social and economic equality for all of Hawaii's residents by providing that the Legislature will discuss and address the impact that each bill has on the overall income, wealth, and social inequality in the State.

Your Committee received testimony in support of the measure from the National Association of Social Workers.

Your Committee finds that this measure supports the consideration of the overall impact legislative action has on the people of the State and emphasizes the Legislature's responsibility to strive for social and economic equality, while protecting and assisting the State's disadvantaged and marginalized populations.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3243 Human Services on S.C.R. No. 229

The purpose of this measure is to urge Hawaii and the United States to adopt and ratify the United Nations' Convention on the Rights of the Child.

Specifically, this measure emphasizes our fundamental responsibility to protect the world's keiki, requests the State of Hawaii to adopt the Convention on the Rights of the Child, and urges the federal government to ratify the Convention, which was signed by the United States on February 16, 1995, but not approved or ratified.

One member of the Hawaii House of Representatives 18th District, submitted testimony in support of this measure.

Your Committee finds that this measure affirms the importance of caring for and nurturing all children in an atmosphere of aloha, in order to promote the ideals of peace, dignity, tolerance, freedom, equality, and solidarity.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee concurs 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 Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3244 Human Services on S.R. No. 68

The purpose of this measure is to ensure the maintenance of the current standard in rehabilitation services for the blind.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii Centers for Independent Living, the East Honolulu Chapter of the National Federation of the Blind of Hawaii, and two individuals.

Your Committee finds that both blind and deaf people require specialized rehabilitation and vocational services in order to obtain meaningful employment.

Accordingly, your Committee has amended this measure to also request the maintenance of current standards in rehabilitation services for 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 concurs with the intent and purpose of S.R. No. 68, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 68, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3245 (Joint) Human Services and Health on S.C.R. No. 204

The purpose of this measure is to designate March as Caregivers' Month in Hawaii.

Your Committees received testimony in support of the measure from the Adult Foster Home Association of Hawaii and more than one hundred individuals.

Your Committees find that this measure highlights the contributions caregivers make to our society, acknowledges the value of their assistance, and designates a specific time period to recognize caregivers for the vital service they provide.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 204, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 204, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Tsutsui).

SCRep. 3246 (Joint) Human Services and Health on S.R. No. 134

The purpose of this measure is to designate March as Caregivers' Month in Hawaii.

Your Committees received testimony in support of the measure from the Adult Foster Home Association of Hawaii and more than one hundred individuals.

Your Committees find that this measure highlights the contributions caregivers make to our society, acknowledges the value of their assistance, and designates a specific time period to recognize caregivers for the vital service they provide.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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.R. No. 134, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 134, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Tsutsui).

SCRep. 3247 (Majority) Education and Military Affairs on S.C.R. No. 193

The purpose of this measure is to call on the Governor of Hawaii to take steps to withdraw the Hawaii Army and Air National Guard troops from Iraq.

Your Committee received testimony in support of this measure from Americans for Democratic Action, Hawaii Chapter; CODEPINK, Women for Peace; Malu `Aina Center for Non-violent Education & Action; Military Families Speak Out Hawaii; and thirty-two individuals. Comments in opposition to this measure were received from the State Department of Defense.

Your Committee finds that the Hawaii Army and Air National Guard have shouldered a heavy load as components in the continuing war in Iraq, and they have served well and honorably. Your Committee recognizes the sacrifices that Hawaii National Guard members have made, and notes that three thousand Hawaii Army and Air National Guard members have been deployed, one has been killed, and about two dozen have been injured. For all the reasons stated in the resolution, your Committee supports Hawaii Army and Air National Guard withdrawal from Iraq.

Your Committee has amended this measure by:

- (1) Correcting that Hawaii has the highest ratio of state "Army National Guard members" on active duty of any other state in the Union;
- (2) Amending the statement that federalization and deployment of Air and Army National Guard members "has rendered" to "may render" the remaining Guard force in Hawaii unable to carry out its missions; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 193, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Hogue). Excused, none.

SCRep. 3248 (Joint) Health and Intergovernmental Affairs on S.C.R. No. 72

The purpose of this measure is to urge Hawaii's local, state, and federal government officials to play an active role in creating "Heart Healthy Communities."

Your Committees received testimony in support of this measure from the Department of Health, the Department of Education, and Kaiser Permanente.

Your Committees find that creating "Heart Healthy Communities" such as the program established by the Robert Wood Johnson Foundation would benefit Hawaii's residents and visitors. Promoting healthy lifestyles will, among many other benefits, reduce incidence of disease, the growing obesity crisis, and reduce health care costs.

Your Committees have adopted the recommendations of Kaiser Permanente and amended this measure by referencing "Active Living by Design," the national program of the Robert Wood Johnson Foundation administered by the University of North Carolina School of Public Health, and Hawaii's Kokuia Kalihi Valley, which is a grantee of the program.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 72, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 72, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Hanabusa, Inouye, Kim, Tsutsui).

SCRep. 3249 Health on S.C.R. No. 70

The purpose of this measure is to address Hawaii's trauma system crisis by requesting the Director of Health to develop a trauma system plan.

Your Committee received testimony in support of this measure from the Department of Health, the Healthcare Association of Hawaii, and the Hawaii Government Employees Association.

Your Committee finds that the trauma system is facing critical issues, such as the availability of on-call emergency physicians, that must be addressed to ensure the integrity of trauma care in Hawaii. Developing a comprehensive, state-wide trauma system plan will facilitate the necessary funding for needed changes the plan is to address.

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. 70 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3250 Health on S.C.R. No. 76

The purpose of this measure is to urge healthcare facilities in Hawaii to implement the "Utilization Guide for the American Nurses Association Principles for Safe Staffing."

Your Committee received testimony in support of this measure from the Hawai'i Nurses' Association and the Hawaii Government Employees Association. The Department of Health and The Queen's Medical Center submitted testimony in support of this measure with amendments. Your Committee received testimony in opposition to the measure from Kaiser Permanente. The Hawaii Long Term Care Association submitted comments.

Your Committee finds that quality health care and patient safety are priorities of health care facilities. Safe nurse staffing is essential to ensuring these priorities are fulfilled. The "Utilization Guide For The American Nurses Association Principles For Safe Staffing" appropriately sets guidelines for Hawaii's health care facilities to follow.

Your Committee has amended this measure by:

- (1) Specifying health care facilities to include acute care facilities, long term care and skilled nursing facilities, dialysis units, hospice facilities, ambulatory surgical centers, and psychiatric facilities;
- (2) Requesting the Center for Nursing to convene a working group of stakeholders and to report its findings to the 2007 Legislature; and
- (3) Including the Center for Nursing, the Hawaii Long Term Care Association, the Hawaii Health Systems Corporation, Hospice Hawaii, Liberty Dialysis, and Kahi Mohala as entities to receive certified copies of this measure.

Your Committee further amended this measure 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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3251 Health on S.R. No. 50

The purpose of this measure is to urge healthcare facilities in Hawaii to implement the "Utilization Guide for the American Nurses Association Principles for Safe Staffing."

Your Committee received testimony in support of this measure from the Hawai'i Nurses' Association and the Hawaii Government Employees Association. The Department of Health and The Queen's Medical Center submitted testimony in support of this measure with amendments. Your Committee received testimony in opposition to the measure from Kaiser Permanente. The Hawaii Long Term Care Association submitted comments.

Your Committee finds that quality health care and patient safety are priorities of health care facilities. Safe nurse staffing is essential to ensuring these priorities are fulfilled. The "Utilization Guide For The American Nurses Association Principles For Safe Staffing" appropriately sets guidelines for Hawaii's health care facilities to follow.

Your Committee has amended this measure by:

- (1) Specifying health care facilities to include acute care facilities, long term care and skilled nursing facilities, dialysis units, hospice facilities, ambulatory surgical centers, and psychiatric facilities;
- (2) Requesting the Center for Nursing to convene a working group of stakeholders and to report its findings to the 2007 Legislature; and
- (3) Including the Center for Nursing, the Hawaii Long Term Care Association, the Hawaii Health Systems Corporation, Hospice Hawaii, Liberty Dialysis, and Kahi Mohala as entities to receive certified copies of this measure.

Your Committee further amended this measure 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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 50, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3252 (Joint) Health and Intergovernmental Affairs on S.R. No. 47

The purpose of this measure is to urge Hawaii's local, state, and federal government officials to play an active role in creating "Heart Healthy Communities."

Your Committees received testimony in support of this measure from the Department of Health, the Department of Education, and Kaiser Permanente.

Your Committees find that creating "Heart Healthy Communities" such as the program established by the Robert Wood Johnson Foundation would benefit Hawaii's residents and visitors. Promoting healthy lifestyles will, among many other benefits, reduce incidence of disease, the growing obesity crisis, and reduce health care costs.

Your Committees have adopted the recommendations of Kaiser Permanente and amended this measure by referencing "Active Living by Design," the national program of the Robert Wood Johnson Foundation administered by the University of North Carolina School of Public Health, and Hawaii's Koku'a Kalihi Valley, which is a grantee of the program.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Hanabusa, Inouye, Kim, Tsutsui).

SCRep. 3253 (Joint/Majority) Health and Energy, Environment, and International Affairs on S.R. No. 90

The purpose of this measure is to urge the National Council of State Boards of Nursing to establish a testing center to conduct the National Council Licensure Examination in the city of Manila in the Republic of the Philippines.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association and the Board of Nursing.

Your Committees find that enabling nurse candidates to take the National Council Licensure Examination in the Philippines is a proactive approach to addressing the nursing shortage in Hawaii. The examination is offered at many other overseas locations. Currently, Filipinos who wish to work as nurses in the United States must apply for B-2 visas and overcome financial barriers. Offering the examination in the Philippines will eliminate these barriers and improve recruitment of nurses in Hawaii.

As affirmed by the records of votes of the members of your Committees on Health and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 90 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Hemmings). Excused, 3 (Hanabusa, Hooser, Tsutsui).

SCRep. 3254 (Joint/Majority) Health and Energy, Environment, and International Affairs on S.C.R. No. 145

The purpose of this measure is to urge the National Council of State Boards of Nursing to establish a testing center to conduct the National Council Licensure Examination in the city of Manila in the Republic of the Philippines.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association and the Board of Nursing.

Your Committees find that enabling nurse candidates to take the National Council Licensure Examination in the Philippines is a proactive approach to addressing the nursing shortage in Hawaii. The examination is offered at many other overseas locations. Currently, Filipinos who wish to work as nurses in the United States must apply for B-2 visas and overcome financial barriers. Offering the examination in the Philippines will eliminate these barriers and improve recruitment of nurses in Hawaii.

As affirmed by the records of votes of the members of your Committees on Health and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 145 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Hemmings). Excused, 3 (Hanabusa, Hooser, Tsutsui).

SCRep. 3255 Education and Military Affairs on S.C.R. No. 147

The purpose of this measure is to urge the United States Congress to authorize funds for armed forces reserve components to access TRICARE program health benefits without restrictions.

Your Committee received testimony in support of this measure from the State Department of Defense, the Hawaii National Guard Association, and the Hawaii National Guard Enlisted Association.

Your Committee finds that medical readiness continues to be an issue of concern for the National Guard, and that during mobilization, the number one reason a member is found non-deployable is a medical issue. Your Committee finds that allowing access to TRICARE for members of the National Guard and Reserves would greatly enhance personnel readiness.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3256 Education and Military Affairs on S.R. No. 92

The purpose of this measure is to urge the United States Congress to authorize funds for armed forces reserve components to access TRICARE program health benefits without restrictions.

Your Committee received testimony in support of this measure from the State Department of Defense, the Hawaii National Guard Association, and the Hawaii National Guard Enlisted Association.

Your Committee finds that medical readiness continues to be an issue of concern for the National Guard, and that during mobilization, the number one reason a member is found non-deployable is a medical issue. Your Committee finds that allowing access to TRICARE for members of the National Guard and Reserves would greatly enhance personnel readiness.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 92 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3257 Education and Military Affairs on S.C.R. No. 170

The purpose of this measure is to call on the United States House of Representatives to support House Resolution 4259, the Veterans' Right to Know Act, which would create a commission to investigate incidents of U.S. military chemical and biological testing.

Your Committee received testimony in support of this measure from the Department of Defense Office of Veterans Services, Radiated Veterans of America, Inc., We Are All Downwinders, and two individuals.

Your Committee finds that military chemical and biological testing has adversely affected the health and well-being of servicemen, servicewomen, and their families, often when they did not even know the risks associated with the testing, and the extent of their own exposure. Your Committee finds that these servicemen, servicewomen, and their families have a right to know as much as possible about the testing, especially those who now suffer, and have inherited over subsequent generations, serious health ailments due to contaminant exposure. In addition, residents of testing areas both at the time of testing, and those currently inhabiting areas that may still pose certain health concerns, possess a similar right to know what kinds of tests were conducted, and the nature of the risks they were exposed to by the testing activities.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3258 Education and Military Affairs on S.R. No. 114

The purpose of this measure is to call on the United States House of Representatives to support House Resolution 4259, the Veterans' Right to Know Act, which would create a commission to investigate incidents of U.S. military chemical and biological testing.

Your Committee received testimony in support of this measure from the Department of Defense Office of Veterans Services, Radiated Veterans of America, Inc., We Are All Downwinders, and two individuals.

Your Committee finds that military chemical and biological testing has adversely affected the health and well-being of servicemen, servicewomen, and their families, often when they did not even know the risks associated with the testing, and the extent of their own exposure. Your Committee finds that these servicemen, servicewomen, and their families have a right to know as much as possible about the testing, especially those who now suffer, and have inherited over subsequent generations, serious health ailments due to contaminant exposure. In addition, residents of testing areas both at the time of testing, and those currently inhabiting areas that may still pose certain health concerns, possess a similar right to know what kinds of tests were conducted, and the nature of the risks they were exposed to by the testing activities.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3259 (Majority) Education and Military Affairs on S.R. No. 128

The purpose of this measure is to call on the Governor of Hawaii to take steps to withdraw the Hawaii Army and Air National Guard troops from Iraq.

Your Committee received testimony in support of this measure from Americans for Democratic Action, Hawaii Chapter; CODEPINK, Women for Peace; Malu `Aina Center for Non-violent Education & Action; Military Families Speak Out Hawaii; and thirty-two individuals. Comments in opposition to this measure were received from the State Department of Defense.

Your Committee finds that the Hawaii Army and Air National Guard have shouldered a heavy load as components in the continuing war in Iraq, and they have served well and honorably. Your Committee recognizes the sacrifices that Hawaii National Guard members have made, and notes that three thousand Hawaii Army and Air National Guard members have been deployed, one has been killed, and about two dozen have been injured. For all the reasons stated in the resolution, your Committee supports Hawaii Army and Air National Guard withdrawal from Iraq.

Your Committee has amended this measure by:

- (1) Correcting that Hawaii has the highest ratio of state "Army National Guard members" on active duty of any other state in the Union;
- (2) Amending the statement that federalization and deployment of Air and Army National Guard members "has rendered" to "may render" the remaining Guard force in Hawaii unable to carry out its missions; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 128, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 128, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Hogue). Excused, none.

SCRep. 3260 (Joint) Education and Military Affairs and Transportation and Government Operations on H.C.R. No. 15

The purpose of this measure is to request that the Department of Defense present a homeland security plan to the Legislature.

Your Committees received testimony in support of this measure from two individuals. Comments on this measure were received from the State Department of Defense.

Your Committees find that a homeland security plan is necessary for state security, and that the Legislature should be a part of its development process.

Your Committees have amended this measure by replacing its language with that of its companion, Senate Concurrent Resolution No. 12, which your Committees amended and reported to the House of Representatives on March 24, 2006, which expands the scope of the plan and reflects the total funding amount as \$80,000,000.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 15, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 15, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Espero, Kanno, Menor, Tsutsui).

SCRep. 3261 Education and Military Affairs on S.C.R. No. 60

The purpose of this measure is to request that the Department of Education exempt from the weighted student formula all Comprehensive School Alienation Program (CSAP) monies used for the High Core Program.

Your Committee received testimony in support of this measure from the High Core Program and one individual. Comments in opposition to this measure were received from the Department of Education.

Your Committee finds that although the High Core Program is not unique per se in its mission, it is unique in the way it now faces budget cuts due to implementation of the weighted student formula, and exempting CSAP monies from the weighted student formula specifically for the High Core Program is proper under these circumstances.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3262 Education and Military Affairs on S.C.R. No. 61

The purpose of this measure is to request a fiscal and program audit be conducted of the Department of Education's Hawaiian Studies Program.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the Office of Hawaiian Affairs, and thirteen individuals. Comments in opposition to this measure were received from the Department of Education.

Your Committee finds that instructors and advocates of the Hawaiian Studies Program report inconsistencies in the program budgeting, pay scales, and implementation. Your Committee finds that a fiscal and program audit would help to clarify the extent to which any of these inconsistencies exist, and identify any potential remedies thereto.

Your Committee has amended this measure by requesting that the Auditor also conduct the program audit of the program, rather than the Department of Education, merely for purposes of departmental independence; and by specifying that the fiscal audit review all moneys appropriated and expended at both the department and individual school level for maximum accuracy.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3263 Human Services on S.C.R. No. 52

The purpose of this measure is to request the House and Senate Committees on Human Services to conduct a joint study of the Department of Human Services' reunification and kinship placement policies and procedure.

Your Committee received testimony in support from the National Association of Social Workers, and one individual, and testimony in opposition to the measure from the Department of Human Services and the Hawaii Foster Youth Coalition.

Upon consideration of the issues, your Committee has decided to amend this measure to request the House and Senate Committees on Human Services to convene interim hearings on the use of legal interventions available to the Family Court.

Your Committee finds that this measure will enable the relevant stakeholders to participate in an assessment of the Family Court's caseload, use of legal interventions, the selection, use, and accountability of court-appointed personnel, and an evaluation of the definitions of the best interests of the child and other issues that may have an impact on the timely and fair resolution of cases.

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. 52, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3264 Human Services on S.R. No. 32

The purpose of this measure is to request the House and Senate Committees on Human Services to conduct a joint study of the Department of Human Services' reunification and kinship placement policies and procedure.

Your Committee received testimony in support from the National Association of Social Workers, and one individual, and testimony in opposition to the measure from the Department of Human Services and the Hawaii Foster Youth Coalition.

Upon consideration of the issues, your Committee has decided to amend this measure to request the House and Senate Committees on Human Services to convene interim hearings on the use of legal interventions available to the Family Court.

Your Committee finds that this measure will enable the relevant stakeholders to participate in an assessment of the Family Court's caseload, use of legal interventions, the selection, use, and accountability of court-appointed personnel, and an evaluation of the definitions of the best interests of the child and other issues that may have an impact on the timely and fair resolution of cases.

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. 32, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3265 Human Services on S.C.R. No. 88

The purpose of this measure is to establish a task force to examine the issue of human trafficking and to identify ways to deter trafficking, support trafficked victims, and bring human traffickers to justice.

The Department of the Prosecuting Attorney, City and County of Honolulu submitted testimony in favor of this measure.

Your Committee finds that this measure will enable interested groups to collaboratively identify and study the issues surrounding human trafficking, and propose legislation that will deter human trafficking, bring traffickers to justice, and protect its victims. However, your Committee prefers House Bill No. 2051, H.D. 1, S.D. 1, which was recently passed out of the Senate Committee on Judiciary and Hawaiian Affairs, as the means for accomplishing these objectives.

Your Committee has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 3266 Human Services on S.C.R. No. 189

The purpose of this measure is to protect the health and welfare of Hawaii's at-risk youth.

Specifically, this measure requests the Legislative Reference Bureau to conduct a study of the efficacy of Hawaii's laws affecting youth under the age of eighteen and to recommend appropriate statutory changes. The Bureau is requested to examine the areas of:

- (1) Emancipation;
- (2) Custody by minor parents;
- (3) Access to shelters by runaways; and
- (4) Access to public benefits,

and to examine the laws of other states in comparison.

The Bureau is further requested to convene a working group of youth advocate stakeholders and representatives of public interest groups to collaborate with the Bureau in its investigation and study.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Youth Services Network, Legal Aid Society of Hawaii, Waikiki Health Center, Hale Kipa, Inc., and the Children's Rights Council of Hawaii. The Legislative Reference Bureau submitted comments

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

- (1) Clarifying that the Bureau is to examine Hawaii's laws and the laws of other states relating to selected issues concerning youth rights;
- (2) Clarifying that the Bureau is to consult with youth advocate stakeholders and representatives of public interest groups, and to meet with them as a group to determine the selected issues and otherwise if deemed beneficial, rather than formally convening a working group consisting of these stakeholders and public interest groups; and
- (3) Adding the Children's Rights Council of Hawaii to those the Bureau is to consult with.

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. 189, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 189, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3267 Human Services on S.C.R. No. 208

The purpose of this measure is to request an audit of the Department of Human Services for a review and analysis of the Department's compliance with its obligations under Title VI of the Civil Rights Act of 1964.

Your Committee received testimony in support of the measure from the League of Women Voters of Hawaii.

Your Committee finds that Title VI of the Civil Rights Act of 1964 requires all entities receiving federal funds to provide language-accessible services, including the translation of vital documents and other oral language services, for persons with limited English proficiency. The reported data will facilitate an assessment of the Department of Human Services' protocols, staff training, and oversight of the language assistance program to facilitate meaningful access by people with limited English proficiency and to ensure full compliance with federal requirements.

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. 208 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3268 Human Services on S.R. No. 138

The purpose of this measure is to request an audit of the Department of Human Services for a review and analysis of the Department's compliance with its obligations under Title VI of the Civil Rights Act of 1964.

Your Committee received testimony in support of the measure from the League of Women Voters of Hawaii.

Your Committee finds that Title VI of the Civil Rights Act of 1964 requires all entities receiving federal funds to provide language-accessible services, including the translation of vital documents and other oral language services, for persons with limited English proficiency. The reported data will facilitate an assessment of the Department of Human Services' protocols, staff training, and oversight of the language assistance program to facilitate meaningful access by people with limited English proficiency and to ensure full compliance with federal requirements.

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. 138 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3269 Human Services on S.C.R. No. 68

The purpose of this measure is to request the Department of Human Services to convene a working group of affected stakeholders to determine the feasibility of implementing procedures governing placement of children in temporary foster care with kin or non-kin foster parents.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Foster Parent Association, the Hawaii Foster Youth Coalition, the National Association of Social Workers, and one individual.

Your Committee finds that this measure will promote discussion among the various stakeholders about policies and procedures regarding the placement of children in temporary foster custody, whether with kin or non-kin foster custodians.

Your Committee has amended this measure to clarify its title and by adding the following stakeholders to the groups to be involved in the requested working group:

- (1) Parents whose children are or have been involved with Child Protective Services;
- (2) Other relatives of children who are or have been involved with Child Protective Services;
- (3) The Legal Aid Society of Hawaii;
- (4) Na Kupuna Tribunal; and
- (5) The Hawaii Family Forum.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 68, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3270 Human Services on S.R. No. 45

The purpose of this measure is to request the Department of Human Services to convene a working group of affected stakeholders to determine the feasibility of implementing procedures governing placement of children in temporary foster care with kin or non-kin foster parents.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Foster Parent Association, the Hawaii Foster Youth Coalition, the National Association of Social Workers, and one individual.

Your Committee finds that this measure will promote discussion among the various stakeholders about policies and procedures regarding the placement of children in temporary foster custody, whether with kin or non-kin foster custodians.

Your Committee has amended this measure to clarify its title and by adding the following stakeholders to the groups to be involved in the requested working group:

- (1) Parents whose children are or have been involved with Child Protective Services;
- (2) Other relatives of children who are or have been involved with Child Protective Services;
- (3) The Legal Aid Society of Hawaii;
- (4) Na Kupuna Tribunal; and
- (5) The Hawaii Family Forum.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 45, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3271 Health on S.C.R. No. 69

The purpose of this measure is to request the Director of Health to conduct a prevention and education campaign on the increasing incidence of bedbugs.

Your Committee received testimony in support of this measure from the Hawaii Pest Control Association and the Hawaiian Alliance for Responsible Technology and Science. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that an increase in the incidence of bed bugs could be detrimental to Hawaii's tourism industry. Although bed bugs are not known to carry disease, they are offensive and can cause allergic reactions.

Your Committee has amended this measure in response to the testimony submitted by the Department of Health by requesting the Department of Health to work in cooperation with the State Tourism Liaison and the Hawaii Hotel and Lodging Association in raising awareness, education, and prevention of the increasing incidence of bedbugs.

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. 69, 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. 69, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3272 Health on S.R. No. 22

The purpose of this measure is to request the Department of Transportation and the Executive Office on Aging to collaborate on providing transportation to seniors and to visually impaired persons, and express the Legislature's support for federal legislation to provide funding for the Independent Transportation Network for a five-year national roll-out and grants.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that the elderly and visually impaired population need safe access to and from their activities of daily living. This basic transportation service can vastly improve the quality of life for these individuals by giving them access to doctors, shopping, family visits, and entertainment.

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. 22 and recommends that it be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3273 (Joint) Health and Human Services on S.C.R. No. 203

The purpose of this measure is to request the Department of Education, the Department of Health, and the Department of Human Services to implement a public-private partnership pilot project with the Student Future Awareness Program to provide early intervention services to minimize drug use, gang activity, and violence among Hawaii's school-age youth.

Your Committees received testimony in support of this measure from the Student Future Awareness Program. Your Committees received testimony in support of the intent of this measure with amendments from the Department of Health and the Department of Education.

Your Committees find that early intervention services are needed to reduce youth involvement in drug and alcohol use, gang involvement, and violent behavior. Additionally, schools and community agencies have requested an intervention program to address these problems.

Your Committees have amended this measure in response to the Department of Health's recommendations by:

- (1) Involving the Department of Public Safety in the pilot program with guidance from the Department of the Attorney General on issues of safety and liability;
- (2) Specifying that the Student Future Awareness Program is to be offered as a pilot project to selected schools in the 2006-2007 school year;
- (3) Requesting that the implementors of the pilot project work with a University of Hawaii researcher of risk-reducing behaviors among youth, to evaluate the effectiveness of this program; and
- (4) Requesting Department of Health and other implementors of this pilot project to assess the feasibility of integrating the Student Future Awareness Program into existing school programs or curricula.

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. 203, as amended herein, recommend that it be referred to the Committee on Education and Military Affairs, in the form attached hereto as S.C.R. No. 203, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Tsutsui, Trimble)

SCRep. 3274 (Joint) Health and Human Services on S.R. No. 133

The purpose of this measure is to request the Department of Education, the Department of Health, and the Department of Human Services to implement a public-private partnership pilot project with the Student Future Awareness Program to provide early intervention services to minimize drug use, gang activity, and violence among Hawaii's school-age youth.

Your Committees received testimony in support of this measure from the Student Future Awareness Program. Your Committees received testimony in support of the intent of this measure with amendments from the Department of Health and the Department of Education.

Your Committees find that early intervention services are needed to reduce youth involvement in drug and alcohol use, gang involvement, and violent behavior. Additionally, schools and community agencies have requested an intervention program to address these problems.

Your Committees have amended this measure in response to the Department of Health's recommendations by:

- (1) Involving the Department of Public Safety in the pilot program with guidance from the Department of the Attorney General on issues of safety and liability;
- (2) Specifying that the Student Future Awareness Program is to be offered as a pilot project to selected schools in the 2006-2007 school year;
- (3) Requesting that the implementors of the pilot project work with a University of Hawaii researcher of risk-reducing behaviors among youth, to evaluate the effectiveness of this program; and
- (4) Requesting Department of Health and other implementors of this pilot project to assess the feasibility of integrating the Student Future Awareness Program into existing school programs or curricula.

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. 133, as amended herein, recommend that it be referred to the Committee on Education and Military Affairs, in the form attached hereto as S.R. No. 133, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Tsutsui, Trimble).

SCRep. 3275 Health on S.C.R. No. 41

The purpose of this measure is to request the Department of Transportation and the Executive Office on Aging to collaborate on providing transportation to seniors and to visually impaired persons, and express the Legislature's support for federal legislation to provide funding for the Independent Transportation Network for a five-year national roll-out and grants.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that the elderly and visually impaired population need safe access to and from their activities of daily living. This basic transportation service can vastly improve the quality of life for these individuals by giving them access to doctors, shopping, family visits, and entertainment.

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. 41 and recommends that it be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3276 Education and Military Affairs on S.C.R. No. 233

The purpose of this measure is to call on the military to map and monitor all munition dumpsites off Hawaii shores.

Your Committee received testimony in support of this measure from Malu `Aina Center for Non-violent Education & Action, Vietnam Veterans of Maui County, and five individuals.

Your Committee finds that the munitions dumpsites off Hawaii shores and elsewhere in the Pacific pose significant potential public health risks, and must be assessed and monitored to protect the health and safety of Hawaii residents and visitors.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 Energy, Environment, and International Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3277 Education and Military Affairs on S.C.R. No. 146

The purpose of this measure is to request of the federal government to allow National Guard Members and Reservists to retire with full benefits after twenty or more years of service.

Your Committee received testimony in support of this measure from the State Department of Defense, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, and two individuals.

Your Committee finds that National Guard service is a difficult and demanding duty, and that a disparity exists between active military personnel with twenty or more years of service who receive a pension immediately upon retirement, and National Guard and Reservist members with similar service records who must wait until they are at least sixty to receive a pension. Your Committee finds that this disparity should be remedied.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3278 Education and Military Affairs on S.R. No. 91

The purpose of this measure is to request of the federal government to allow National Guard Members and Reservists to retire with full benefits after twenty or more years of service.

Your Committee received testimony in support of this measure from the State Department of Defense, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, and two individuals.

Your Committee finds that National Guard service is a difficult and demanding duty, and that a disparity exists between active military personnel with twenty or more years of service who receive a pension immediately upon retirement, and National Guard and Reservist members with similar service records who must wait until they are at least sixty to receive a pension. Your Committee finds that this disparity should be remedied.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3279 Health on S.R. No. 46

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study of the issues hospitals face with regard to wait listed patients in Hawaii in need of long term medical care.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Hawaii Pacific Health, the Hawaii Disability Rights Center, Hawaii Long Term Care Association, and Kaiser Permanente. The Legislative Reference Bureau submitted comments for your Committee's consideration.

Your Committee finds that hospitals in Hawaii have been facing serious issues regarding waitlists for acute care patients waiting for transferral to long-term care facilities. Requesting the Legislative Reference Bureau to conduct a study into these pertinent issues will help to facilitate a plan for a long-term solution.

Your Committee has amended this measure in response to submitted testimony to include the Chief Executive Officer of Healthcare Association of Hawaii, the Chief Executive Officer of Hawaii Health Systems Corporation, and the Director of the Hawaii Long Term Care Association as individuals to receive certified copies 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 concurs with the intent and purpose of S.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3280 Health on S.C.R. No. 71

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study of the issues hospitals face with regard to wait listed patients in Hawaii in need of long term medical care.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Hawaii Pacific Health, the Hawaii Disability Rights Center, Hawaii Long Term Care Association, and Kaiser Permanente. The Legislative Reference Bureau submitted comments for your Committee's consideration.

Your Committee finds that hospitals in Hawaii have been facing serious issues regarding waitlists for acute care patients waiting for transferral to long-term care facilities. Requesting the Legislative Reference Bureau to conduct a study into these pertinent issues will help to facilitate a plan for a long-term solution.

Your Committee has amended this measure in response to submitted testimony to include the Chief Executive Officer of Healthcare Association of Hawaii, the Chief Executive Officer of Hawaii Health Systems Corporation, and the Director of the Hawaii Long Term Care Association as individuals to receive certified copies 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 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 Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3281 Health on S.C.R. No. 116

The purpose of this measure is to support the Food and Drug Administration's national campaign to raise awareness and inform women about menopausal hormone therapy and to designate September as Menopause Awareness Month in Hawaii.

Your Committee received testimony in support of this measure from the American Menopause Foundation, Inc. and Wyeth Pharmaceuticals.

Your Committee finds that in 2005 more than fifty million American women were affected by menopause. By educating and raising awareness of the health risks and symptoms, and hormone therapies available to treat menopause, women in Hawaii will be able to enhance and prolong their lives.

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. 116 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3282 Commerce, Consumer Protection and Housing on H.B. No. 1878

The purpose of this measure is to conform Hawaii's law on investment security adviser compensation to federal securities law.

Testimony in support of this measure was submitted by the Business Registration Division of the Department of Commerce and Consumer Affairs. No testimony in opposition was received by your Committee.

Your Committee finds that conforming State securities law to federal securities law will facilitate the industry's ability to conduct business on a nationwide basis while maintaining protections for consumers.

Upon further consideration, your Committee has amended this measure by adopting a technical amendment proposed by the Department of Commerce and Consumer Affairs correcting a reference to the federal Investment Advisors Act of 1940. Your Committee has also adopted a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1878, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3283 Commerce, Consumer Protection and Housing on H.B. No. 2313

The purpose of this measure is to clarify and correct ambiguities or errors within Hawaii's business registration law, and to modernize and increase the effectiveness of the law.

Testimony in support of this measure was submitted by the Business Registration Division, Department of Commerce and Consumer Affairs; and The Chamber of Commerce of Hawaii. No testimony in opposition was received by your Committee.

Your Committee finds that this measure addresses errors, ambiguities, and inconsistencies due to changes in the Division's policies and procedures, common law, and drafting errors.

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

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 3284 (Joint) Transportation and Government Operations and Ways and Means on H.B. No. 2443

The purpose of this measure is to enact the Emergency Management Assistance Compact.

Your Committees received testimony in support of this measure from the State Department of Defense.

The Emergency Management Assistance Compact provides mutual assistance between states in managing any emergency or disaster that is declared by the governor of a member state, including natural and man-made disasters, technological hazards, community disorder, and insurgency or enemy attack.

Your Committees believe that mutual assistance between states in times of emergency or disaster would benefit Hawaii, particularly because of the State's vulnerability to natural disasters and geographic isolation.

Your Committees have amended this measure by deleting its contents and inserting provisions of S.B. No. 2569, SD1, a companion measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2443, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2443, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 7 (Hee, Hooser, Kanno, Kokubun, Menor, Sakamoto, Trimble).

SCRep. 3285 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1787

The purpose of this measure is to establish the offense of leaving a child unsupervised in a motor vehicle. This measure also requires the examiner of drivers to test driver license applicants for knowledge of this offense.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu; the Hawaii Family Forum; the Hawaii Catholic Conference; Kids and Cars; and Healthy Mothers, Healthy Babies Coalition of Hawaii. The Office of the Public Defender and one individual submitted testimony in opposition to this measure.

Your Committee finds that this measure will protect children whose physical safety or health is endangered by being left unattended, or inadequately supervised, in a motor vehicle.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 3286 Judiciary and Hawaiian Affairs on H.B. No. 1819

The purpose of this measure is to correct various inconsistencies and erroneous references in sections of the Hawaii Revised Statutes related to intoxicating liquor, particularly in relation to the ability of a guest to purchase alcohol at a club.

There was no testimony submitted on this measure.

Your Committee finds it necessary to amend various references in sections 281-35, 281-41, and 281-94, Hawaii Revised Statutes for the purposes of consistency and accuracy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3287 Judiciary and Hawaiian Affairs on H.B. No. 1825

The purpose of this measure is to clarify that the motor vehicle owner is responsible for paying parking citations and clarifies that unpaid parking citations do not prevent the transfer of registration or ownership.

Your Committee received testimony in support of this measure from the Honolulu Police Department and the Hawaii Automobile Dealers' Association. The Judiciary submitted comments on this measure.

Your Committee finds that under current law, a parking violation is attached to the vehicle and not the vehicle's owner, which prevents registration and transfer of ownership to a new owner until all fines are paid. This situation has held up many vehicle transfers and has sometimes put an unjust burden on a new owner or the automobile dealer who, in order to be able to register the vehicle and transfer ownership, has been forced to pay fines for a parking violation committed by the previous owner.

Your Committee has amended this measure to insert an effective date of January 1, 2007 based upon the recommendation of the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1825, 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. 1825, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3288 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1899

The purpose of this measure is to mandate safety helmet use for moped drivers under the age of eighteen.

Your Committee received testimony in support of this measure from the Department of Transportation, the Honolulu Police Department, Safe Kids Hawaii, and one individual. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that this measure is intended to protect the safety of vulnerable moped drivers by requiring moped drivers under the age of eighteen to wear a safety helmet. This will help prevent head injuries that might result in permanent injury or death.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 3289 Judiciary and Hawaiian Affairs on H.B. No. 1955

The purpose of this measure is to increase the minimum fines for littering from a motor vehicle, littering in public, and criminal littering, and to increase the maximum fine for criminal littering.

Your Committee received testimony in support of this measure from the Windward Ahupua'a Alliance. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that the current mandatory minimum fines for littering violations are not a sufficient deterrent. The present minimum fine for littering is only \$25. An increase in the minimum fine serves as a greater deterrent because fines tend to be imposed at the minimum rather than the maximum amount for violations. An increase in the fine schedule will serve as an incentive to keep Hawaii beautiful.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1955, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3290 Judiciary and Hawaiian Affairs on H.B. No. 2050

The purpose of this measure is to add abuse orders of protection issued against a Hawaii resident as information that must be disclosed by a Hawaii resident as part of the resident's marital history information in dealings with international matchmaking organizations.

Your Committee received testimony in support of this measure from Na Loio Immigrant Rights and Public Interest Law Center, the Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii State Coalition Against Domestic Violence.

Your Committee finds that immigrant women who are recruited by international matchmaking organizations for the purpose of providing dating, matrimonial, or social referral services to residents are particularly vulnerable to becoming victims of domestic violence. They are often isolated, as many leave their familial and social networks behind when they immigrate to the United States. This measure enables an immigrant recruit to better determine whether to establish a relationship with a resident who may be a potential abuser and should reduce the incidence of domestic violence in our community.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3291 Judiciary and Hawaiian Affairs on H.B. No. 2133

The purpose of this measure is to prohibit vehicular access within the Kaena Point Natural Area Reserve, except for the Department of Land and Natural Resources' vehicles used to manage or maintain the reserve, and emergency vehicles.

Your Committee received testimony in support of the measure from the Office of Hawaiian Affairs and the Sierra Club Hawaii Chapter. The Department of Land and Natural Resources submitted comments on this measure.

Your Committee finds that the Kaena Point Natural Area Reserve is one of the last relatively intact coastal dune ecosystems on Oahu. Over the years, vehicular traffic has continually degraded the environmental and cultural integrity of Kaena Point. This measure is in keeping with the spirit and intent of the area's designation as a natural area reserve.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3292 Judiciary and Hawaiian Affairs on H.B. No. 2367

The purpose of this measure is to authorize the Office of Youth Services to obtain criminal history information on employees, prospective employees, and volunteers of its contracted services providers and subcontractors, in positions that necessitate close proximity to youth when providing services on its behalf.

Your Committee received testimony in support of this measure from the Office of Youth Services and the Department of Human Resources Development.

Your Committee finds that it is in the best interest of the State, the youth under the care of the Office of Youth Services, and the service provider agencies that the Office of Youth Services be permitted to obtain criminal history record information on employees, prospective employees, and volunteer of providers and subcontractors, in positions that necessitate close proximity to youth, when they are providing services on behalf of the Office of Youth Services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2367, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3293 Judiciary and Hawaiian Affairs on H.B. No. 2857

The purpose of this measure is to make a knowing violation of the conditions of a mitigation plan, that includes monitoring and preservation plans, a civil and administrative violation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and one individual.

Your Committee finds that the Department of Land and Natural Resources has been unable to enforce conditions that are set out in mitigation plans submitted to it from private landowners. While landowners agree in their mitigation plans to preserve significant cultural and historical sites, they, or the archaeological consultants hired by the landowners, often end up destroying these cultural and historical sites with no recourse. Testifiers cited the examples of the Hokulia development, the Wal-Mart on Keeaumoku, and the Kawaihapai (Dillingham) Airfield as cases in which mitigation plans were not followed by landowners. This measure will make a knowing violation of the conditions of a mitigation plan a civil and administrative violation and will allow the Department of Land and Natural Resources to enforce mitigation plans to protect Hawaii's cultural and historical sites.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2857, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3294 Judiciary and Hawaiian Affairs on H.B. No. 3126

The purpose of this measure is to amend the rapid identification documents law by deleting the requirement that the document be in the form of a bracelet. In addition, this measure allows a lawfully appointed, guardian, agent, or surrogate to act on a patient's behalf when directing medical staff to provide comfort only.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Medical Association, the Healthcare Association of Hawaii, Hospice Hawaii, the Hawaiian Islands Hospice Organization, Kokua Mau, and five individuals. The Maui Chapter of Hawaii Right to Life submitted testimony in opposition to this measure.

Your Committee finds that the current "Comfort Care Only" bracelet system has proven to be ineffective in allowing health care providers to honor the wishes of the patient. A rapid identification document system will allow a patient to clearly communicate his or her health care wishes absent any ambiguity, confusion, or delay.

Your Committee also notes that this measure requires the patient's guardian, agent, or surrogate to direct health care providers in a manner consistent with chapter 327E, Hawaii Revised Statutes, to administer comfort only in an emergency situation. More importantly, this measure requires the Department of Health to adopt rules in implementing the rapid identification document system, which would be the most appropriate mechanism to address the issue of additional safeguards or requirement to be imposed upon a patient's guardian, agent, or surrogate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3126, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3295 Judiciary and Hawaiian Affairs on H.B. No. 3254

The purpose of this measure is to repeal various provisions of the Hawaii Revised Statutes that require public employees, who are not required under Article XVI, Section 4 or the Hawaii State Constitution, to take an oath of loyalty.

Your Committee received testimony in support of the measure from the Office of the Ombudsman.

Your Committee finds that the statutory provisions repealed by this measure were made obsolete by an amendment to the Hawaii State Constitution in 1992. In 1992, Article XVI, Section 4 of the Hawaii State Constitution was amended so that only certain eligible public officers are now required to take and subscribe to a constitutional oath. This measure identifies all sections affected by the amendment to the Hawaii State Constitution. Repeal of the obsolete provisions in the Hawaii Revised Statutes will prevent future misunderstanding about the applicability of the provisions among members of the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3254, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3296 Education and Military Affairs on H.B. No. 1809

The purpose of this measure is to increase the amount of time an active member of the U.S. armed services has to renew a Hawaii driver's license.

Your Committee received testimony in support of this measure from the State Department of Defense, the City and County of Honolulu Division of Motor Vehicle, Licensing and Permits Administration, and the Hawaii National Guard Enlisted Association.

Your Committee finds that this measure assists Hawaii's citizen-soldiers by allowing them to renew their drivers' licenses within ninety days of their return to the State or discharge from hospitalization, and represents a message to them that their sacrifices are recognized and appreciated.

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

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1809, 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. 1809, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3297 Education and Military Affairs on H.B. No. 1861

The purpose of this measure is to eliminate the requirement that the Superintendent of Education submit a report to the Board of Education on the principal transactions made within the Department of Education (DOE) during the last year, which would then be presented to the Governor and the Legislature.

Your Committee received testimony in support of this measure from the DOE.

Your Committee finds that, although the DOE states that the provision that this measure eliminates is unnecessary and serves merely a housekeeping purpose, an annual report on the DOE's "principal transactions" is a significant public document. Your Committee would like assurances that the information that would have been contained in such a report to the Board will be contained in at least one of the fourteen other reports the DOE is required to submit to the Legislature, including the reports on:

- (1) School-by-school expenditure;
- (2) The Incentive and Innovation Grant Trust Fund;
- (3) Federal and Trust Funds;
- (4) The Federal Grant Search, Development, and Application Revolving Fund;
- (5) Carryover funds;
- (6) Transfer of Appropriated Funds and Positions;
- (7) School-level Minor R&M Accounts;
- (8) Hawaii 3R's School Repair and Maintenance Fund;
- (9) Annual Report for Repair and Maintenance; and
- (10) Transfer of certain rights, powers, functions, duties, and resources to the DOE.

Your Committee has amended this measure by making the effective date defective to allow for proper consideration of the concerns raised by this Committee.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1861, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3298 Commerce, Consumer Protection and Housing on H.B. No. 2317

The purpose of this measure is to make permanent the requirement that health insurers treat a bona fide trade association and its members as a single group at the option of the trade association for the purpose of issuing a health insurance policy.

Testimony in support of this measure was submitted by the Insurance Commissioner, Department of Commerce and Consumer Affairs; the Hawaii Transportation Association; Retail Merchants of Hawaii; the Hawaii Association of Realtors; and a certified public accountant. No testimony in opposition was received by your Committee.

According to the Insurance Commissioner, at least twenty-seven trade associations receive some form of health insurance premium discounts, and about 15,000 members receive their health insurance through these trade associations.

Your Committee finds that this measure provides a valuable option to those individuals who would not have the same opportunities for health insurance coverage as larger businesses in the absence of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2317, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3299 Judiciary and Hawaiian Affairs on H.B. No. 2265

The purpose of this measure is to transfer continuing supervisory and counseling functions of paroled individuals from the Hawaii Paroling Authority to the Department of Public Safety.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and the Hawaii State Interagency Council on Homelessness. The Department of the Attorney General, the Hawaii Paroling Authority, and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in opposition to this measure.

Your Committee finds that presently there are certain areas of overlap between the services supplied by the Department of Public Safety's intake service centers and community correctional centers and the Hawaii Paroling Authority's adult supervisory and counseling services. Your Committee further finds that to be cost-efficient, consistent in the delivery of services, and able to maintain a continuum of care, the supervisory and counseling functions of the Hawaii Paroling Authority should be transferred to the Department of Public Safety. Your Committee notes that this transfer will not affect the other functions of the Hawaii Paroling Authority.

Your Committee has amended this measure to make the measure effective upon approval to allow the Department of Public Safety to develop rules and procedures; provided that the actual transfer of duties and functions shall be effective on July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3300 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1242

The purpose of this measure is to clarify and eliminate outdated language in section 453-16, Hawaii Revised Statutes, dealing with intentional termination of pregnancy, while not changing the rights that are currently protected under state and federal law.

Your Committee received testimony in support of this measure from Planned Parenthood of Hawaii, the American Civil Liberties Union of Hawaii, the Church of the Crossroads United Church of Christ, the Community Alliance on Prisons, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii Women's Coalition, Hawaii Women Work!, The League of Women Voters of Hawaii, the National Association of Social Workers, and forty-one individuals. The Hawaii Family Forum, the Hawaii Catholic Conference, Hawaii Right to Life, the Maui Chapter of Hawaii Right to Life, Pro-Family Hawaii, Christian Voice of Hawaii, the Hawaii Coalition of Christian Churches, and twenty-four individuals submitted testimony in opposition to the measure.

Your Committee finds that section 453-16, Hawaii Revised Statutes, which has not been amended since its enactment in 1970, is unconstitutional as written and needs to be revised to bring it into conformance with current state and federal law. Your Committee further finds that this measure is a clarifying amendment and does not change the right of a woman to seek an abortion.

Specifically, this measure deletes the ninety-day residential requirement. The United States Supreme Court has repeatedly struck down durational residency requirements. In *Doe v. Bolton*, 410 U.S. 179 (1973), the United States Supreme Court held that the Privileges and Immunities Clause of Article 4, section 2 of the United States Constitution protects individuals seeking medical services that are available in a state. The Court held that a state law requiring residency for individuals seeking medical care within that state's borders was unconstitutional because it was not based on any policy of preserving state-supported facilities for residents and there was no evidence that the medical facilities were utilized to capacity in caring for its residents. Accordingly, the ninety-day residency requirement under 453-16(a)(3), Hawaii Revised Statutes, is unconstitutional and should be repealed to conform with federal law.

This measure also clarifies that clinics and physicians' offices are safe, acceptable places for abortions to be performed. This clarification is in accordance with the United States Supreme Court's decision in *Akron v. Akron Center for Reproductive Health, Inc.*, 462 U.S. 416 (1983). In *Akron*, the United States Supreme Court struck down a statute requiring a 24-hour waiting period prior to the performance of an abortion. The Court held that the state had not shown that any legitimate state interest was being served by an arbitrary and inflexible waiting period. Similarly, in *Doe, supra*, the United States Supreme Court applied the same standard to a Georgia statute that required that abortions be performed at specifically accredited hospitals. In examining whether the standards were legitimately related to the objective the state sought to accomplish, the court held that a state's objective to ensure the quality of the operation was not legitimately related to requiring all abortions be performed in specially accredited hospitals, where there was no persuasive data to show that only hospitals could meet this objective. In addition, the court found that there was a multitude of data showing that other facilities besides hospitals, such as clinics, were more than adequate to perform abortions safely.

The Chair notes the concerns regarding the medical requirements for abortions performed in clinics and physicians' offices; however, the Chair believes that these concerns would be more appropriately addressed in rules that could be adopted by the Department of Health.

Last, the Chair notes that most of the testimony in opposition to this measure expressed opposition to abortion in general; however, the ability of women to have abortions under certain circumstances is already codified in Hawaii law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1242, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Whalen). Excused, none.

SCRep. 3301 Judiciary and Hawaiian Affairs on H.B. No. 1995

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

Your Committee received testimony in support of this measure from the Department of Public Safety. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that this measure will assist in protecting Hawaii's minors from the harmful effects of being exposed to the illegal use of controlled substances and the toxic chemicals used in their processing.

Your Committee has amended this measure to change the effective date from July 1, 2096, to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1995, 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. 1995, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3302 Judiciary and Hawaiian Affairs on H.B. No. 2343

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

Your Committee received testimony in support of this measure from the Department of the Attorney General and the State of Hawaii Department of Defense. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that Hurricanes Katrina and Rita created situations that highlighted the prevalence of opportunistic crimes that can occur during civil emergencies. When resources are needed to restore law and order, emergency response aid to victims may be hampered or delayed, leaving victims at an increased risk of bodily injury or death. Stronger measures to control law and order may deter looting and other crimes during times of civil emergencies.

Your Committee notes the concerns raised by the Office of the Public Defender in situations where people are in need of food, water, and shelter and may take such items that do not belong to them. Therefore, your Committee has amended this measure to insert a defective effective date to provide for further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2343, 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. 2343, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3303 Judiciary and Hawaiian Affairs on H.B. No. 3257

The purpose of this measure is to require the police to inform a person arrested for driving under the influence of intoxicants of the sanctions for refusal to submit to breath, blood, or urine test only if person withdraws consent to testing implied by operation of a vehicle on public highway or waters of the State.

Your Committee received testimony in support of this measure from the Department of Transportation, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, and Mothers Against Drunk Driving. The Office of the Public Defender submitted testimony in opposition to the measure. The Judiciary submitted comments on this measure.

Your Committee finds that this measure would considerably reduce the amount of time spent by the police in processing persons arrested for operating vehicles while under the influence of an intoxicant. Your Committee further finds that under this measure, drivers who first refuse to submit to a breath, blood, or urine test may change their minds after they are informed of the sanctions resulting from a refusal which addresses a concern raised by the Office of the Public Defender.

Your Committee has amended this measure to change the effective date to January 1, 2007 based upon the recommendation of the Department of the Prosecuting Attorney for the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3257, 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. 3257, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3304 Judiciary and Hawaiian Affairs on H.B. No. 2286

The purpose of this measure is to clarify that information maintained by the Child Support Enforcement Agency may be disclosed to persons who are directly involved in the administration and implementation of a program approved by Title IV-E of the Social Security Act.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Department of Human Services.

Your Committee finds that this measure allows the Child Support Enforcement Agency to disclose information to the Department of Human Services that is consistent with information being provided for other types of child welfare programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3305 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 2454

The purpose of this measure is to require the Governor, in filling vacancies in the Senate, House of Representatives, and United States Senate, to select a replacement from a list of three prospective appointees nominated by the political party of the prior incumbent. In addition, this measure requires prospective appointees to be registered members of the nominating political party for at least six months prior to the appointment.

Your Committee received testimony in support of this measure from two individuals.

Your Committee finds that this measure would promote an element of fairness in filling legislative vacancies without compromising the integrity of the election process.

Your Committee has amended this measure in accordance with testimony received from two individuals to extend the amount of time a political party has to present its list of appointees to the Governor from twenty days to thirty days.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2454, 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. 2454, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 3306 Judiciary and Hawaiian Affairs on H.B. No. 2535

The purpose of this measure is to amend the offense of use of a computer in the commission of a separate crime by including the use of a computer to obtain control over the property of the victim or to facilitate commission of the offense as a theft in the first or second degrees.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu (Prosecuting Attorney) and the Honolulu Police Department. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that the use of a computer to commit theft is a growing problem in Hawaii and the number of crimes that are perpetrated over the Internet is increasing. Your Committee further finds that by amending section 708-893, Hawaii Revised Statutes, will enable law enforcement to respond more efficiently to computer crime in its various forms.

Your Committee has amended this measure in accordance with testimony from the Prosecuting Attorney to clarify that the mental state of "intentional" use of a computer to obtain control over the property of a victim only applies to the offense of theft in the first or second degree.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2535, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2535, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3307 Judiciary and Hawaiian Affairs on H.B. No. 2639

The purpose of this measure is to increase the sanctions for driving with a high blood alcohol level.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Transportation, the Honolulu Police Department, and Mothers Against Drunk Driving. The Office of the Public Defender submitted testimony in opposition to this measure. The Judiciary submitted comments.

Your Committee finds that persons who are highly intoxicated are an enhanced danger while driving and deserve enhanced penalties. Your Committee notes the comments of the Judiciary that this measure appears to blur the line between first time offenders and repeat intoxicated drivers.

Your Committee has amended this measure to change the definition of "highly intoxicated driver" to a person whose measurable amount of alcohol is 0.20 or more grams of blood or breath alcohol for the purpose of enhanced penalties for driving while intoxicated.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, 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. 2639, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3308 Judiciary and Hawaiian Affairs on H.B. No. 2737

The purpose of this measure is to require the Attorney General to assist in resolving ownership issues relating to Honopou road, including Honopou bridge, of the Honopou district in Maui County. This measure also requires the Department of Transportation to determine the costs of strengthening the Honopou bridge to allow fire trucks to safely cross and reach area residents.

Your Committee received testimony in support of this measure from the Department of Transportation, the Mayor of Maui County, and a council member of the Maui County Council.

Your Committee finds that because there has been a jurisdictional dispute between the State and the County of Maui, the Honopou road and bridge have not been maintained or improved. The lack of maintenance and improvement has previously resulted in a fire truck failing to cross the bridge to respond to a call for assistance for fear that the truck would not be able to make it safely across the bridge. As a result, a fire destroyed a home in the district. This measure will require the Attorney General to assist in resolving ownership issues relating to Honopou road, including Honopou bridge, and will require the Department of Transportation to determine the costs of strengthening the Honopou bridge to allow fire trucks to safely cross and reach area residents.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2737, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3309 Judiciary and Hawaiian Affairs on H.B. No. 2747

The purpose of this measure is to allow the examiner of drivers to issue an instruction permit to an applicant with disabilities who possesses a valid driver's license from another state but who fails to pass the road test to obtain a license in this State.

Your Committee received testimony in support of this measure from the Department of Transportation, the Disability and Communication Access Board, and the Department of Customer Services for the City and County of Honolulu.

Your Committee finds that the examiner of drivers requires a road test for most driver's license applicants that measures an applicant's functional ability to safely operate a motor vehicle. Applicants with disabilities whose driving privilege is under review may not have a valid license or instruction permit after failing this road test on their first attempt. This measure will allow the examiner of drivers to issue an instruction permit to an applicant with disabilities who possess a valid driver's license from another state but who fails to pass the road test to obtain a license in this State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2747, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3310 Judiciary and Hawaiian Affairs on H.B. No. 2772

The purpose of this measure is to establish intentionally or knowingly damaging the agricultural or aquacultural equipment, supplies, or products of another as a crime of criminal property damage.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Department of the Prosecuting Attorney for the City and County of Honolulu (Prosecuting Attorney), Alexander and Baldwin, Inc., the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, the Pineapple Growers Association of Hawaii, Maui Land & Pineapple Company, Inc., Meadow Gold Dairies, and C & H Farms. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that increasing the penalties for criminal property damage offenses is consistent with the great impact these crimes have on Hawaii's agricultural and aquacultural industries and the ability of individual farmers and ranchers to earn a living.

Your Committee notes that there was a concern raised by the Office of the Public Defender about subjecting a person to criminal penalties in situations where a person removes a portion of a tree that is trespassing onto their property. In response to this concern, the Prosecuting Attorney explained that this measure is intended to apply only to commercial agriculture and aquaculture and not to situations involving the "trespassing tree" that is grown or maintained for other than commercial purposes. The Prosecuting Attorney noted that the criminal penalty only applies where damage is done to the agricultural equipment, supplies, or products, or aquacultural equipment, supplies, or products. The definition of these specifically reference products raised, grown, or maintained by a commercial agricultural enterprise, aquacultural enterprise, or research agency while owned by the enterprise or agency.

Your Committee has amended this measure in accordance with testimony submitted by the Prosecuting Attorney to provide that in calculating the amount of damage, the value of future crops is included.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2772, 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. 2772, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3311 Judiciary and Hawaiian Affairs on H.B. No. 3037

The purpose of this measure is to require that information be made available to a driver's license examiner regarding persons under the age of eighteen who have pending violations or court proceedings that may result in suspension or revocation of a driver's license or any pending adjudication for offenses relating to the operation of a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation, the Police Department of the City and County of Honolulu, and the Department of Customer Services of the City and County of Honolulu. The Judiciary submitted comments on this measure.

Your Committee finds that the driver's licensing examiner needs information regarding adjudication and pending violations involving persons under the age of eighteen in order to administer the provisional driver licensing program in accordance with law.

Your Committee notes that the Judiciary's comments are correct in that the Judiciary and the counties need to communicate on this issue. The burden on the Judiciary should not be onerous as it merely requires the Judiciary to provide information. In addition, it is incumbent on the minor and parent to be truthful and inform the driver's license examiner of any such adjudication or pending violations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3037, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3312 Judiciary and Hawaiian Affairs on H.B. No. 1947

The purpose of this measure is to clarify that any decision of the State, the Department of Transportation, the counties, or any officer, employee, or agent thereof, to select or apply flexible highway design shall not give rise to a cause of action or claim against them.

Your Committee received testimony in support of this measure from the Department of Transportation, the Department of the Corporation Counsel for the City and County of Honolulu, Consumer Lawyers of Hawaii, and an individual.

Your Committee finds that this measure enacts statutory amendments that were intended to be included in Act 185, Session Laws of Hawaii 2005 (Act 185), which enacted the original law. Your Committee notes that the Director of Transportation requested an extension of the deadline provided in section 3 of Act 185 from June 30, 2006, to June 30, 2007, for the Director of Transportation to establish flexible highway design guidelines. However, in consideration of the agreement reached among various government officials and communities as to the existing deadline of June 30, 2006, the Chair agreed to a compromise to extend the deadline to December 31, 2006.

Your Committee has amended this measure to insert a section extending the deadline provided in section 3 of Act 185 from June 30, 2006, to December 31, 2006, for the Director of Transportation to establish flexible highway design guidelines. Your Committee also amended this measure to change the effective date from July 1, 2006, to June 1, 2006 to ensure that the deadline, which is set for June 30, 2006, is extended without lapsing.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1947, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3313 Judiciary and Hawaiian Affairs on H.B. No. 2192

The purpose of this measure is to clarify the requirements for emergency call-in Schedule II prescriptions, the use of facsimile and telephonic prescriptions, and the use of narcotics to treat addiction. This measure also allows the use of central fill pharmacies and limited information sharing and adds new definitions.

Your Committee received testimony in support of this measure from the Department of Public Safety, the Hawaii Pharmacists Association, Kaiser Permanente, and Longs Drugs.

Your Committee finds that Hawaii law needs to be revised in order to be consistent with changes in federal law.

Your Committee has amended this measure in accordance with testimony from the Department of Public Safety to conform the bill with existing language in federal law, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2192, 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. 2192, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3314 Judiciary and Hawaiian Affairs on H.B. No. 2410

The purpose of this measure is to amend statutory provisions to conform to the federal Uniform Controlled Substances Act enacted in 2005.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that new federal regulations that affect chapter 329, Hawaii Revised Statutes, will take effect on September 30, 2006. This measure will amend various sections of chapter 329, Hawaii Revised Statutes, to conform to the new federal regulations.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2410, 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. 2410, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3315 Judiciary and Hawaiian Affairs on H.B. No. 2422

The purpose of this measure is to increase the penalty for motorists who violate Hawaii's crosswalk law.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Transportation, and the Honolulu Police Department. The Office of the Public Defender submitted testimony in opposition to this measure. The Judiciary submitted comments.

Your Committee finds that the crosswalk law needs to be strengthened by enhanced penalties as a deterrent and punishment to drivers who do not stop for pedestrians. Pedestrian deaths and injuries are a serious problem and pedestrian injuries rank sixth among the leading cause of fatal injuries for all age groups in our State. Despite the highly publicized crosswalk law that passed in 2005, the number of people killed in crosswalks has increased forty-three percent.

Your Committee has amended this measure to:

- (1) Incorporate the comments submitted by the Judiciary to change "conviction" or similar references to a case disposition where the defendant has been adjudicated guilty of a criminal matter to "failure to comply," because traffic violations are treated as civil matters;
- (2) Provide that persons subject to revocation of their license for failure to comply with Hawaii's crosswalk law will not be required to show proof of financial responsibility pursuant to section 287-20, Hawaii Revised Statutes, in order to address a concern raised by the Office of the Public Defender, while still permitting the court to set an appropriate amount to be paid by the defendant as proof of financial responsibility to enable the defendant to have his or her privilege to operate a motor vehicle reinstated; and
- (3) Make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2422, 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. 2422, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3316 Judiciary and Hawaiian Affairs on H.B. No. 2708

The purpose of this measure is to prohibit commercial advertising for compensation on vehicles.

Your Committee received testimony in support of this measure from the Outdoor Circle, Na Leo Pohai, and Scenic Hawaii, Inc. The Hawaii Ship Agents Association, the Hawaii Transportation Association, and one individual submitted testimony in opposition to this measure. The Department of the Attorney General, E Noa Corporation, and Unity House submitted comments on this measure.

Your Committee received testimony from the Department of the Attorney General that the measure as currently written would prohibit a broad spectrum of advertisements on almost all commercial vehicles. Your Committee finds that this measure is intended to be aimed at vehicles or trailers whose primary purpose is advertising.

Therefore, your Committee has amended this measure to clarify that it is unlawful for any person to operate or park any vehicle or trailers carrying a vehicular advertising device for consideration or any other economic benefit if the vehicle or trailer is used primarily to display a vehicular advertising device.

This measure would not make unlawful a vehicular advertising device on vehicles or trailers in which the primary purpose is to transport goods, persons, or provide services, maintenance, or repairs. Similar prohibitions in other states have been upheld in the state and federal courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708, 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. 2708, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3317 Commerce, Consumer Protection and Housing on S.C.R. No. 19

The purpose of this measure is to request that the auditor assess the social and financial effects of mandating health insurance coverage for survivors of brain injuries.

Testimony in support of this measure was submitted by the Hawaii Disability Rights Center and a traumatic brain injury survivor. Comments were submitted by the Department of Health.

Your Committee finds that survivors of traumatic brain injuries can lead full lives but may face a long rehabilitation process that may not be covered by health benefit plans. Your Committee further finds that these survivors will be substantially assisted by mandatory health insurance coverage. An Auditor's study is the next step in determining whether this type of coverage is appropriate.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3318 Commerce, Consumer Protection and Housing on S.C.R. No. 66

The purpose of this measure is to request the Legislative Reference Bureau to study and evaluate the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

Testimony commenting on the measure was received from the Hawaii Community Development Authority and the Legislative Reference Bureau (requesting amendments).

Your Committee finds that the Hawaii Community Development Authority was established thirty years ago to ensure that the Kakaako area is invigorated in a timely fashion as a dynamic urban neighborhood to bring together a wide spectrum of activities and commerce, as well as a greater mixture of Hawaii's population. Your Committee further finds that this measure, as currently drafted, virtually prejudices the outcome of the requested study, including determinations about the redevelopment of the urban core of Honolulu.

Your Committee has amended the measure, as suggested by the Legislative Reference Bureau, to limit the scope of the requested study to the possible functions, powers, and duties of a redevelopment agency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3319 Commerce, Consumer Protection and Housing on S.R. No. 43

The purpose of this measure is to request the Legislative Reference Bureau to study and evaluate the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

Testimony commenting on the measure was received from the Hawaii Community Development Authority and the Legislative Reference Bureau (requesting amendments).

Your Committee finds that the Hawaii Community Development Authority was established thirty years ago to ensure that the Kakaako area is invigorated in a timely fashion as a dynamic urban neighborhood to bring together a wide spectrum of activities and commerce, as well as a greater mixture of Hawaii's population. Your Committee further finds that this measure, as currently drafted, virtually prejudices the outcome of the requested study, including determinations about the redevelopment of the urban core of Honolulu.

Your Committee has amended the measure, as suggested by the Legislative Reference Bureau, to limit the scope of the requested study to the possible functions, powers, and duties of a redevelopment agency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 43, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.R. No. 43, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3320 (Joint) Education and Military Affairs and Higher Education on S.C.R. No. 198

The purpose of this measure is to urge the Board of Education to create a separate office of Hawaiian language medium education and collaborate with Ka Haka 'Ula O Ke'elikōlani to strengthen the Hawaiian language.

Your Committees received testimony in support of this measure from the University of Hawai'i System, 'Aha Pūnana Leo, and two individuals. Comments on this measure were received from the Board of Education.

Your Committees find that several testifiers asked that the measure be amended to be more inclusive of other stakeholders who wish to participate in the Hawaiian language medium education program. Your Committees request that the Committee on Judiciary and Hawaiian Affairs consider the merits of amending this measure to reflect such a suggestion.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Inouye, Hogue, Trimble).

SCRep. 3321 Education and Military Affairs on S.C.R. No. 172

The purpose of this measure is to urge the Department of Education to develop two capital improvement project priority lists to correct any unfair distribution of funds to newer schools.

Your Committee received testimony in opposition to this measure from the Department of Education (DOE).

Your Committee finds that the DOE must somehow make better accommodation to address the needs of older school facilities.

Your Committee has amended this measure by eliminating the request for two CIP lists from the title and the body of the resolution, and instead urging the DOE to take into account the age of school facilities when making decisions about project priority.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, 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. 172, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3322 Education and Military Affairs on S.R. No. 116

The purpose of this measure is to urge the Department of Education to develop two capital improvement project priority lists to correct any unfair distribution of funds to newer schools.

Your Committee received testimony in opposition to this measure from the Department of Education (DOE).

Your Committee finds that the DOE must somehow make better accommodation to address the needs of older school facilities.

Your Committee has amended this measure by eliminating the request for two CIP lists from the title and the body of the resolution, and instead urging the DOE to take into account the age of school facilities when making decisions about project priority.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 116, 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. 116, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3323 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.C.R. No. 148

The purpose of this measure is to urge the Department of Land and Natural Resources to work with the Samuel Mills Damon Estate trustees, the Office of Hawaiian Affairs, and other organizations to purchase the Moanalua Gardens.

Testimony in support of this measure was submitted by the Moanalua Gardens Community Association; the Moanalua Gardens Foundation; Moanalua Valley Community Association, Inc.; and two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by the Nature Conservancy of Hawaii.

Samuel Mills Damon's trust included many real estate holdings such as the popular 23-acre community park and tourist attraction known as Moanalua Gardens and the pristine 3,700-acre Kamananui Valley on the island of Oahu. During his life and after his death, Samuel Mills Damon and his trust permitted Moanalua Gardens to be open to the public for over 100 years. Following his death, Kamananui Valley was opened to the public for recreational and educational purposes.

Under the terms of his will, Damon's trust is set to terminate, and all of the assets of the trust are to be liquidated, including Moanalua Gardens and Kamananui Valley. Your Committees find that Moanalua Gardens and Kamananui Valley should be protected and preserved, as these areas are one of Hawaii's most treasured cultural and historical areas. This measure urges the Department of Land and Natural Resources to work with the Samuel Mills Damon Estate trustees, Moanalua Gardens Foundation, the Trust for Public Lands, the Nature Conservancy, and the Office of Hawaiian Affairs to purchase Moanalua Gardens.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 148 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3324 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.R. No. 93

The purpose of this measure is to urge the Department of Land and Natural Resources to work with the Samuel Mills Damon Estate trustees, the Office of Hawaiian Affairs, and other organizations to purchase the Moanalua Gardens.

Testimony in support of this measure was submitted by the Moanalua Gardens Community Association; the Moanalua Gardens Foundation; Moanalua Valley Community Association, Inc.; and two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by the Nature Conservancy of Hawaii.

Samuel Mills Damon's trust included many real estate holdings such as the popular 23-acre community park and tourist attraction known as Moanalua Gardens and the pristine 3,700-acre Kamananui Valley on the island of Oahu. During his life and after his death, Samuel Mills Damon and his trust permitted Moanalua Gardens to be open to the public for over 100 years. Following his death, Kamananui Valley was opened to the public for recreational and educational purposes.

Under the terms of his will, Damon's trust is set to terminate, and all of the assets of the trust are to be liquidated, including Moanalua Gardens and Kamananui Valley. Your Committees find that Moanalua Gardens and Kamananui Valley should be protected and preserved, as these areas are one of Hawaii's most treasured cultural and historical areas. This measure urges the Department of Land and Natural Resources to work with the Samuel Mills Damon Estate trustees, Moanalua Gardens Foundation, the Trust for Public Lands, the Nature Conservancy, and the Office of Hawaiian Affairs to purchase Moanalua Gardens.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 93 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3325 Education and Military Affairs on S.C.R. No. 40

The purpose of this measure is to request depleted uranium exposure screening for active members and veterans of the armed forces.

Your Committee received testimony in support of this measure from Americans for Democratic Action-Hawaii Chapter, Life of the Land, Malu `Aina Center for Non-violent Education & Action, and thirteen individuals. Comments in opposition to this measure were received from the State Department of Defense.

Your Committee finds that exposure to chemical munitions has adversely affected the health and well-being of many servicemen and women, as well as their families, and residents in areas where munitions have been deployed and stored. Your Committee further finds that screening is merely the first step in the monitoring necessary to assess the real health risks associated with the exposure to different substances.

Your Committee has amended this measure by:

- (1) Adding the Department of Veterans Affairs, as an agency responsible to assist in the provision of health screening tests for exposure to depleted uranium;
- (2) Calling for health screening and treatment of the dependents of members and veterans of the armed forces who may have been exposed to depleted uranium;
- (3) Calling on the Adjutant General of the Hawaii National Guard to coordinate with the United States Department of Defense in Hawaii to conduct an assessment and report on the adequacy of training involving potential exposure to depleted uranium;
- (4) Calling on the Adjutant General to ensure that quality health treatment is available to all members and veterans of the Hawaii National Guard and their dependents who may have been exposed to depleted uranium;
- (5) Including in a potential task force's duties the investigation and reporting of potential funding sources to continue the provision of health care testing and treatment;
- (6) Adding the United States Secretary of Defense as a recipient of this measure;

- (7) Amending its title; and
- (8) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, as amended herein, and recommends that it be referred to the Committee on Energy, Environment, and International Affairs, in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3326 Education and Military Affairs on S.R. No. 21

The purpose of this measure is to request depleted uranium exposure screening for active members and veterans of the armed forces.

Your Committee received testimony in support of this measure from Americans for Democratic Action-Hawaii Chapter, Life of the Land, Malu `Aina Center for Non-violent Education & Action, and thirteen individuals. Comments in opposition to this measure were received from the State Department of Defense.

Your Committee finds that exposure to chemical munitions has adversely affected the health and well-being of many servicemen and women, as well as their families, and residents in areas where munitions have been deployed and stored. Your Committee further finds that screening is merely the first step in the monitoring necessary to assess the real health risks associated with the exposure to different substances.

Your Committee has amended this measure by:

- (1) Adding the Department of Veterans Affairs, as an agency responsible to assist in the provision of health screening tests for exposure to depleted uranium;
- (2) Calling for health screening and treatment of the dependents of members and veterans of the armed forces who may have been exposed to depleted uranium;
- (3) Calling on the Adjutant General of the Hawaii National Guard to coordinate with the United States Department of Defense in Hawaii to conduct an assessment and report on the adequacy of training involving potential exposure to depleted uranium;
- (4) Calling on the Adjutant General to ensure that quality health treatment is available to all members and veterans of the Hawaii National Guard and their dependents who may have been exposed to depleted uranium;
- (5) Including in a potential task force's duties the investigation and reporting of potential funding sources to continue the provision of health care testing and treatment;
- (6) Adding the United States Secretary of Defense as a recipient of this measure;
- (7) Amending its title; and
- (8) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21, as amended herein, and recommends that it be referred to the Committee on Energy, Environment, and International Affairs, in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3327 (Joint) Intergovernmental Affairs and Commerce, Consumer Protection and Housing on S.C.R. No. 195

The purpose of this measure is to request the Honolulu Board of Water Supply to work with the Housing and Community Development Corporation of Hawaii on the replacement of the Waiahole Valley Water System and for the Board of Water Supply to accept dedication of the upgraded water system.

The Housing and Community Development Corporation of Hawaii, the Waiahole-Waikane Community Association, and two individuals submitted testimony in support of this measure. The Honolulu Board of Water Supply submitted comments.

Your Committees find that the City and County of Honolulu Board of Water Supply has the necessary technical experience that the Housing and Community Development Corporation of Hawaii lacks, and therefore the two agencies should work together to replace the Waiahole Valley water system.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 195 and recommend that it be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Inouye, Sakamoto, Hogue).

SCRep. 3328 (Joint) Intergovernmental Affairs and Commerce, Consumer Protection and Housing on S.R. No. 130

The purpose of this measure is to request the Honolulu Board of Water Supply to work with the Housing and Community Development Corporation of Hawaii on the replacement of the Waiahole Valley Water System and for the Board of Water Supply to accept dedication of the upgraded water system.

The Housing and Community Development Corporation of Hawaii, the Waiahole-Waikane Community Association, and two individuals submitted testimony in support of this measure. The Honolulu Board of Water Supply submitted comments.

Your Committees find that the City and County of Honolulu Board of Water Supply has the necessary technical experience that the Housing and Community Development Corporation of Hawaii lacks, and therefore the two agencies should work together to replace the Waiahole Valley water system.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 130 and recommend that it be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Inouye, Sakamoto, Hogue).

SCRep. 3329 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on S.R. No. 144

The purpose of this measure is to request a study of the use of trailer parks as a possible option for solving Hawaii's affordable housing crisis.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs and three individuals. The Housing and Community Development Corporation of Hawaii and the Department of Hawaiian Home Lands offered comments.

Your Committees find that this measure calls for a comprehensive study on the issue whether manufactured housing would be a productive and feasible means to help alleviate the crisis that Hawaii now faces. The answers determined in the study would enable the Legislature to embrace or reject the concept based upon the facts.

Your Committees have amended the measure to:

- (1) Substitute reference to mobile home parks for references to "trailer parks";
- (2) Add additional agencies and stakeholders for consultation during the requested study;
- (3) Provide unit cost estimates for the delivered price of a mobile home on a pad; and
- (4) Correct references to the Housing and Community Development Corporation of Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 144, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 144, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Inouye, Sakamoto, Hogue).

SCRep. 3330 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on S.C.R. No. 214

The purpose of this measure is to request a study of the use of trailer parks as a possible option for solving Hawaii's affordable housing crisis.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs and three individuals. The Housing and Community Development Corporation of Hawaii and the Department of Hawaiian Home Lands offered comments.

Your Committees find that this measure calls for a comprehensive study on the issue whether manufactured housing would be a productive and feasible means to help alleviate the crisis that Hawaii now faces. The answers determined in the study would enable the Legislature to embrace or reject the concept based upon the facts.

Your Committees have amended the measure to:

- (1) Substitute reference to mobile home parks for references to "trailer parks";
- (2) Add additional agencies and stakeholders for consultation during the requested study;

- (3) Provide unit cost estimates for the delivered price of a mobile home on a pad; and
- (4) Correct references to the Housing and Community Development Corporation of Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 214, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 214, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Inouye, Sakamoto, Hogue).

SCRep. 3331 Commerce, Consumer Protection and Housing on S.C.R. No. 18

The purpose of this measure is to request a financial and management audit of the capital fund program administered by the Housing and Community Development Corporation of Hawaii (HCDCH).

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (requesting amendments), and the Hawaii Disability Rights Center.

Your Committee finds that the findings and recommendations of a capital fund audit can be useful building blocks to strengthen the operation and management of public housing programs, particularly in view of the large number of vacant units juxtaposed against the many homeless persons in Hawaii. However, in view of the pending reorganization of the HCDCH on July 1, 2006, your Committee finds that an audit at this time would exacerbate the already challenging tasks at hand.

Your Committee has amended this measure to delay the starting date of the capital fund audit until after January 31, 2007, with a report to the Legislature prior to the convening of the Regular Session of 2008.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18, 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. 18, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3332 Commerce, Consumer Protection and Housing on S.C.R. No. 17

The purpose of this measure is to request the Auditor to conduct a financial and management audit of the Housing and Community Development Corporation of Hawaii (HCDCH).

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (requesting amendments), and the Hawaii Disability Rights Center.

Your Committee finds that the findings and recommendations of a management audit can be useful building blocks to strengthen the operation and management of public housing programs, particularly in view of the large number of vacant units juxtaposed against the many homeless persons in Hawaii. However, in view of the pending reorganization of the HCDCH on July 1, 2006, your Committee finds that an audit at this time would exacerbate the already challenging tasks at hand.

Your Committee has amended this measure to delay the starting date of the management audit until after January 31, 2007, with a report to the Legislature prior to the convening of the Regular Session of 2008.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17, 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. 17, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3333 (Joint) Judiciary and Hawaiian Affairs and Higher Education on S.C.R. No. 131

The purpose of this measure is to request the Office of Hawaiian Affairs to convene a task force to make recommendations on the appropriate lease rent for the Mauna Kea summit lands.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. The University of Hawaii submitted comments on this measure.

Your Committee finds that the Mauna Kea summit land is ceded land and part of the public land trust. The Mauna Kea summit land is also home to advance technology telescopes owned by the world's leading astronomy institutions and universities. The issue has arisen as to the amount of lease rent that should be paid for use of the Mauna Kea summit land, as currently no fee, other than a

percentage of observatory time for the University of Hawaii Astronomy Institute, is being charged. Your Committee further finds that a task force is necessary to bring all of the parties together to confer and cooperate to reach a mutually agreeable solution to this issue.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 131 and recommend that it be referred to the Committees on Water, Land, and Agriculture and Transportation and Government Operations.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, none.

SCRep. 3334 Health on S.C.R. No. 188

The purpose of this measure is to urge the State and the Hawaii Health Systems Corporation to enter into a lease/purchase agreement for a new parking structure for Maui Memorial Medical Center to be funded by the issuance of certificates of participation.

Your Committee received testimony in support of this measure from the Maui Memorial Medical Center.

Your Committee finds that the Maui Memorial Medical Center is in need of additional parking right now, and will have an ever greater need in the future. Walker Parking Consultants conducted a study to determine the parking sufficiency of the existing parking structure and future parking requirements due to the 75,000 square foot medical center expansion. The study concluded that an additional 689 parking stalls will be needed by 2008 and 777 parking stalls by 2016.

Your Committee further finds that financing this project through certificates of participation will require the State of Hawaii or Hawaii Health Systems Corporation to enter into a long-term lease on the parking structure.

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. 188 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3335 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.C.R. No. 159

The purpose of this measure is to request the Department of Agriculture to establish an Agricultural Pesticide Disposal Assistance Program.

The Department of Agriculture, the Hawaii Farm Bureau, the Maui County Farm Bureau, the Hawaii Crop Improvement Association, the Hawaii Agriculture Research Center, the Hawaiian Alliance for Responsible Technology and Science, C & H Farms, and Hawaii Pest Control Association submitted testimony in support of this measure.

It is illegal to dispose of agricultural pesticides in sanitary landfills, but there are currently no options for disposal of these substances within the State. Your Committees find that a Pesticide Disposal Assistance Program would promote a safer, cleaner environment by reducing the amount of pesticides that, without such a program, could potentially contaminate the drinking water, waterways, and land across the State.

Your Committees have amended this measure by:

- (1) Eliminating the creation of a new task force;
- (2) Requesting the existing Pesticides Advisory Committee to assist the Department of Agriculture with:
 - (A) Establishing an Agricultural Pesticide Disposal Assistance Program; and
 - (B) Securing adequate funding, including federal or state sources;
- (3) Requesting that the disposal program provide some form of amnesty for the disposal of pesticides that may otherwise be illegal or banned; and
- (4) Making technical, non-substantive changes for clarity, consistency, and style.

Your Committees considered the Hawaii Pest Control Association's testimony, and notes that the scope of the disposal program could be expanded to include the disposal of pesticide containers used by other pesticide users.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 159, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 159, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3336 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.R. No. 97

The purpose of this measure is to request the Department of Agriculture to establish an Agricultural Pesticide Disposal Assistance Program.

The Department of Agriculture, the Hawaii Farm Bureau, the Maui County Farm Bureau, the Hawaii Crop Improvement Association, the Hawaii Agriculture Research Center, the Hawaiian Alliance for Responsible Technology and Science, C & H Farms, and Hawaii Pest Control Association submitted testimony in support of this measure.

It is illegal to dispose of agricultural pesticides in sanitary landfills, but there are currently no options for disposal of these substances within the State. Your Committees find that a Pesticide Disposal Assistance Program would promote a safer, cleaner environment by reducing the amount of pesticides that, without such a program, could potentially contaminate the drinking water, waterways, and land across the State.

Your Committees have amended this measure by:

- (1) Eliminating the creation of a new task force;
- (2) Requesting the existing Pesticides Advisory Committee to assist the Department of Agriculture with:
 - (A) Establishing an Agricultural Pesticide Disposal Assistance Program; and
 - (B) Securing adequate funding, including federal or state sources;
- (3) Requesting that the disposal program provide some form of amnesty for the disposal of pesticides that may otherwise be illegal or banned; and
- (4) Making technical, non-substantive changes for clarity, consistency, and style.

Your Committees considered the Hawaii Pest Control Association's testimony, and notes that the scope of the disposal program could be expanded to include the disposal of pesticide containers used by other pesticide users.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 97, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3337 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 47

The purpose of this measure is to request the Department of Transportation and the county fire chiefs to collaborate and cooperate to reach a mutually agreeable solution over fire inspection responsibilities at the Honolulu International Airport and other state airports.

Your Committees received testimony in support of this measure from the Department of Transportation, State Fire Council, Honolulu Fire Department, and Hawaii County Fire Chief.

The Department of Transportation has Aircraft Rescue and Firefighting crews stationed at airports to carry out responsibilities pursuant to Title 14, C.F.R. part 139. Aircraft Rescue and Firefighting crews located at airports are not trained and do not have the necessary staff to conduct fire inspections of the airport areas.

The Honolulu International Airport is a vast area that encompasses much more than the actual airport facilities and includes surrounding buildings and warehouses, which take one year to inspect on an intermittent basis according to the Honolulu Fire Department. Public safety requires that all state airports be inspected by knowledgeable fire inspectors, whether state or county firefighters.

Your Committees find that the Department of Transportation and the county fire departments should work out an agreement to conduct fire inspections of airport facilities, particularly the Honolulu International Airport.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs 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 Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3338 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 28

The purpose of this measure is to request the Department of Transportation and the county fire chiefs to collaborate and cooperate to reach a mutually agreeable solution over fire inspection responsibilities at the Honolulu International Airport and other state airports.

Your Committees received testimony in support of this measure from the Department of Transportation, State Fire Council, Honolulu Fire Department, and Hawaii County Fire Chief.

The Department of Transportation has Aircraft Rescue and Firefighting crews stationed at airports to carry out responsibilities pursuant to Title 14, C.F.R. part 139. Aircraft Rescue and Firefighting crews located at airports are not trained and do not have the necessary staff to conduct fire inspections of the airport areas.

The Honolulu International Airport is a vast area that encompasses much more than the actual airport facilities and includes surrounding buildings and warehouses, which take one year to inspect on an intermittent basis according to the Honolulu Fire Department. Public safety requires that all state airports be inspected by knowledgeable fire inspectors, whether state or county firefighters.

Your Committees find that the Department of Transportation and the county fire departments should work out an agreement to conduct fire inspections of airport facilities, particularly the Honolulu International Airport.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 28 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3339 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 95

The purpose of this measure is to urge the City and County of Honolulu to improve the synchronization of traffic signals on Ala Moana Boulevard between Punchbowl Street and Kalakaua Avenue, and to assume jurisdiction of that same portion of road in the interest of promoting safe traffic flow.

Your Committees received testimony in support of this measure from the Department of Transportation and two individuals.

There have been reports of a serious traffic back-up of vehicles at the corner of Punchbowl Avenue and Ala Moana Boulevard when making a left turn from Punchbowl into Ala Moana due to a short green signal, resulting in very few vehicles making the left turn at the same sequence. The back-up is also due to several intersecting side streets with Ala Moana that all have traffic signals and left turn signals for vehicles to turn left from Ala Moana into the side streets when heading in the Diamond Head direction. The City and County of Honolulu is responsible for synchronizing traffic signals on Ala Moana Boulevard at the corner of Punchbowl Street up to Kalakaua Avenue.

Ala Moana Boulevard has been under the jurisdiction of the Department of Transportation from the days when Honolulu was separated by distinct communities that had discrete boundaries, which no longer exist in modern times. Your Committees find that it is appropriate for the City and County to assume jurisdiction over this whole segment of the road to improve traffic flow and pedestrian safety.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 95 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3340 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 57

The purpose of this measure is to urge the City and County of Honolulu to improve the synchronization of traffic signals on Ala Moana Boulevard between Punchbowl Street and Kalakaua Avenue, and to assume jurisdiction of that same portion of road in the interest of promoting safe traffic flow.

Your Committees received testimony in support of this measure from the Department of Transportation and two individuals.

There have been reports of a serious traffic back-up of vehicles at the corner of Punchbowl Avenue and Ala Moana Boulevard when making a left turn from Punchbowl into Ala Moana due to a short green signal, resulting in very few vehicles making the left turn at the same sequence. The back-up is also due to several intersecting side streets with Ala Moana that all have traffic signals and left turn signals for vehicles to turn left from Ala Moana into the side streets when heading in the Diamond Head direction. The City and County of Honolulu is responsible for synchronizing traffic signals on Ala Moana Boulevard at the corner of Punchbowl Street up to Kalakaua Avenue.

Ala Moana Boulevard has been under the jurisdiction of the Department of Transportation from the days when Honolulu was separated by distinct communities that had discrete boundaries, which no longer exist in modern times. Your Committees find that it is appropriate for the City and County to assume jurisdiction over this whole segment of the road to improve traffic flow and pedestrian safety.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 57 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3341 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 74

The purpose of this measure is to request the Department of Transportation to expedite the completion of the Lahaina bypass project as a top priority and, in cooperation with the county of Maui and stakeholders, to develop strategies to reduce motor vehicle use into and out of Lahaina.

Your Committees received testimony in support of this measure from the Department of Transportation; Maui County Mayor; four Maui County Council Members; Ka'anapali Development Board; Hyatt Regency Maui Resort & Spa; Maui Land & Pineapple Company, Inc.; West Maui Taxpayers Association; and nineteen individuals.

The distance from central Maui to Lahaina is only twenty-four miles, yet the trip by motor vehicle between the two points easily takes more than one hour. During the whale watching season or during other peak visitor periods, that trip takes considerably longer. The only road into and out of Lahaina is a two-lane, undivided state highway that is being eroded into the ocean in several places. According to the Department of Transportation's current estimates, phase one of the planned four-phase Lahaina Bypass project, the Lahaina Mini-Bypass, may be done by the second quarter of 2009.

In addition to expediting the completion of the Lahaina Bypass, it is imperative that a complementary demand-side solution be crafted by developing strategies to reduce motor vehicle usage, including reducing the use of visitor rental cars and encouraging residential commuting, on the road into and out of Lahaina.

Your Committees urge the Department of Transportation to seriously consider alternative means of constructing a bypass road, including engaging the hotels and the county to contribute their resources to building a bypass.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 74 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3342 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 48

The purpose of this measure is to request the Department of Transportation to expedite the completion of the Lahaina bypass project as a top priority and, in cooperation with the county of Maui and stakeholders, to develop strategies to reduce motor vehicle use into and out of Lahaina.

Your Committees received testimony in support of this measure from the Department of Transportation; Maui County Mayor; four Maui County Council Members; Ka'anapali Development Board; Hyatt Regency Maui Resort & Spa; Maui Land & Pineapple Company, Inc.; West Maui Taxpayers Association; and nineteen individuals.

The distance from central Maui to Lahaina is only twenty-four miles, yet the trip by motor vehicle between the two points easily takes more than one hour. During the whale watching season or during other peak visitor periods, that trip takes considerably longer. The only road into and out of Lahaina is a two-lane, undivided state highway that is being eroded into the ocean in several places. According to the Department of Transportation's current estimates, phase one of the planned four-phase Lahaina Bypass project, the Lahaina Mini-Bypass, may be done by the second quarter of 2009.

In addition to expediting the completion of the Lahaina Bypass, it is imperative that a complementary demand-side solution be crafted by developing strategies to reduce motor vehicle usage, including reducing the use of visitor rental cars and encouraging residential commuting, on the road into and out of Lahaina.

Your Committees urge the Department of Transportation to seriously consider alternative means of constructing a bypass road, including engaging the hotels and the county to contribute their resources to building a bypass.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 48 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3343 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 3

The purpose of this measure is to request the Department of Transportation and County of Honolulu Department of Transportation Services to conduct a road sign audit with the private sector.

Your Committees received testimony in support of this measure from the Department of Transportation.

Your Committees find that Hawaii suffers from the negative visual impact from the overabundance, redundancy, and lack of oversight of road signage throughout the State. There is evidence to suggest that the discretionary nature of road sign placement in the State and county jurisdictions lacks proper oversight, including incidences where guide signs are summarily placed upon request of residents or businesses in the community without a thorough analysis as to the sign's need or impact.

Testimony by the Department of Transportation indicated that it has met with the Outdoor Circle and the Department of the Attorney General regarding the placement and necessity of road signs throughout the island of Oahu.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 3 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Espero, Kanno, Kim, Menor).

SCRep. 3344 Water, Land, and Agriculture on S.C.R. No. 158

The purpose of this measure is to request the Auditor to conduct a study of the shoreline setback reference line.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and the Office of Planning. Comments were also submitted by EarthJustice, the Hawaii Association of Realtors, and the Land Use Research Foundation of Hawaii.

Shorelines and beaches are one of Hawaii's most precious natural resources and provide important recreational, cultural, social, and economic opportunities for residents and tourists. The shoreline setback system has been established to serve the dual purpose of protecting Hawaii's beach resources and reducing the loss of property from erosion, storms, or other events by establishing a distance mauka of the ocean from which structures may be built.

In recent years, the urbanization of Hawaii's coastal lands and intensification of its use has resulted in extended landscaping along the shoreline through the use of saltwater tolerant plants in some cases. This extension has distorted the shoreline for the purpose of establishing the shoreline setback reference line, making it very difficult to determine.

Senate Concurrent Resolution No. 51, S.D.1, Regular Session 2005, requested the Department of Land and Natural Resources and a working group to conduct a study of the issues surrounding the shoreline certification process for the purpose of shoreline setbacks. However, the report resulting from Senate Concurrent Resolution No. 51, S.D.1, provided recommendations that were unacceptable to participating organizations, including the Department of Land and Natural Resources. This unsatisfactory product requires further investigation and research.

Thus, your Committee finds that the Department of Land and Natural Resources' report did not explore or analyze alternative methods and technologies that could be used to establish the shoreline setback line and did not offer clear recommendations in terms of the Department's position. This measure requests the Auditor to study the alternative systems and methods for defining and establishing the shoreline setback reference line.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture 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 Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3345 Water, Land, and Agriculture on S.R. No. 96

The purpose of this measure is to request the Auditor to conduct a study of the shoreline setback reference line.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and the Office of Planning. Comments were also submitted by EarthJustice, the Hawaii Association of Realtors, and the Land Use Research Foundation of Hawaii.

Shorelines and beaches are one of Hawaii's most precious natural resources and provide important recreational, cultural, social, and economic opportunities for residents and tourists. The shoreline setback system has been established to serve the dual purpose of protecting Hawaii's beach resources and reducing the loss of property from erosion, storms, or other events by establishing a distance mauka of the ocean from which structures may be built.

In recent years, the urbanization of Hawaii's coastal lands and intensification of its use has resulted in extended landscaping along the shoreline through the use of saltwater tolerant plants in some cases. This extension has distorted the shoreline for the purpose of establishing the shoreline setback reference line, making it very difficult to determine.

Senate Concurrent Resolution No. 51, S.D.1, Regular Session 2005, requested the Department of Land and Natural Resources and a working group to conduct a study of the issues surrounding the shoreline certification process for the purpose of shoreline setbacks.

However, the report resulting from Senate Concurrent Resolution No. 51, S.D.1, provided recommendations that were unacceptable to participating organizations, including the Department of Land and Natural Resources. This unsatisfactory product requires further investigation and research.

Thus, your Committee finds that the Department of Land and Natural Resources' report did not explore or analyze alternative methods and technologies that could be used to establish the shoreline setback line and did not offer clear recommendations in terms of the Department's position. This measure requests the Auditor to study the alternative systems and methods for defining and establishing the shoreline setback reference line.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3346 Water, Land, and Agriculture on S.C.R. No. 160

The purpose of this measure is to request the Department of Agriculture to study the applicability and use of appraisal methodologies to stabilize the reopening of rents for the Department of Agriculture's agricultural parks.

Testimony in support of this measure was submitted by C&H Farms, the East Oahu Farmer's Association, and the Hawaii Farm Bureau Federation. Comments were submitted by the Department of Agriculture.

In many parts of Hawaii, state lands are used for agricultural purposes, and as state agricultural leases are reopened, appraisals of lands are used to determine appropriate lease rents. A common way to appraise agricultural land is by comparing the appraised property with other land sales; however, this method leads to problems, as this approach tends to inflate lease rents.

Your Committee finds that the income capitalization approach is a valuable appraisal approach because the value of the agricultural land is based on its agricultural yield; however, there is a shortage of appraisers who are capable of using this approach. This measure requests the Department of Agriculture to study the feasibility and implementation of the income capitalization approach and other methodologies to stabilize and set lease rent rates for the Department of Agriculture's agricultural park lease reopenings.

Your Committee has amended this measure by:

- (1) Deleting the provision that encourages the Department of Agriculture to work with the Department of Land and Natural Resources to maintain the agricultural production statistics; and
- (2) Deleting the provision that requested the report to include examples of lease rent amounts resulting from using the income capitalization approach or other methodologies, the costs and training needs associated with implementation of the preferred practice, and the timeframe for implementation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 160, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3347 Water, Land, and Agriculture on S.R. No. 98

The purpose of this measure is to request the Department of Agriculture to study the applicability and use of appraisal methodologies to stabilize the reopening of rents for the Department of Agriculture's agricultural parks.

Testimony in support of this measure was submitted by C&H Farms, the East Oahu Farmer's Association, and the Hawaii Farm Bureau Federation. Comments were submitted by the Department of Agriculture.

In many parts of Hawaii, state lands are used for agricultural purposes, and as state agricultural leases are reopened, appraisals of lands are used to determine appropriate lease rents. A common way to appraise agricultural land is by comparing the appraised property with other land sales; however, this method leads to problems, as this approach tends to inflate lease rents.

Your Committee finds that the income capitalization approach is a valuable appraisal approach because the value of the agricultural land is based on its agricultural yield; however, there is a shortage of appraisers who are capable of using this approach. This measure requests the Department of Agriculture to study the feasibility and implementation of the income capitalization approach and other methodologies to stabilize and set lease rent rates for the Department of Agriculture's agricultural park lease reopenings.

Your Committee has amended this measure by:

- (1) Deleting the provision that encourages the Department of Agriculture to work with the Department of Land and Natural Resources to maintain the agricultural production statistics; and

- (2) Deleting the provision that requested the report to include examples of lease rent amounts resulting from using the income capitalization approach or other methodologies, the costs and training needs associated with implementation of the preferred practice, and the timeframe for implementation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture 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 Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3348 Water, Land, and Agriculture on S.C.R. No. 163

The purpose of this measure is to request a study on establishing a Hawaii State geological survey.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the University of Hawaii School of Ocean and Earth Science and Technology, the Land Use Research Foundation of Hawaii, and two individuals. Comments were also submitted by the Legislative Reference Bureau.

Hawaii faces a wide range of geological issues, including coastal erosion, limited ground and surface water, rock falls and landslides, earthquakes, volcanic eruptions, depleted rock aggregate resources, and geothermal energy. Hawaii's activities related to these geological issues are spread among many different state and county agencies, potentially leaving gaps in efforts to collect and analyze geologic data on issues of importance to the State and many geological hazards.

Your Committee finds that many mainland states have a state geological survey that creates, interprets, and disseminates applied earth science information to address societal needs. However, because there is no state department in Hawaii, millions of dollars in federal funding to perform geological studies have been lost. This measure requests the Legislative Reference Bureau to conduct a study on establishing a geological survey in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture 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 Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3349 Water, Land, and Agriculture on S.R. No. 101

The purpose of this measure is to request a study on establishing a Hawaii State geological survey.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the University of Hawaii School of Ocean and Earth Science and Technology, the Land Use Research Foundation of Hawaii, and two individuals. Comments were also submitted by the Legislative Reference Bureau.

Hawaii faces a wide range of geological issues, including coastal erosion, limited ground and surface water, rock falls and landslides, earthquakes, volcanic eruptions, depleted rock aggregate resources, and geothermal energy. Hawaii's activities related to these geological issues are spread among many different state and county agencies, potentially leaving gaps in efforts to collect and analyze geologic data on issues of importance to the State and many geological hazards.

Your Committee finds that many mainland states have a state geological survey that creates, interprets, and disseminates applied earth science information to address societal needs. However, because there is no state department in Hawaii, millions of dollars in federal funding to perform geological studies have been lost. This measure requests the Legislative Reference Bureau to conduct a study on establishing a geological survey in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3350 Education and Military Affairs on S.C.R. No. 165

The purpose of this measure is to urge the federal government to increase funding and flexibility for implementation of the No Child Left Behind Act.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and one individual. Comments in support of the intent of this measure were received from the Hawaii Government Employees Association. Comments concurring with the principles of this measure were received from the Department of Education.

Your Committee finds that the best way for the federal government to make education a national priority is to support states' efforts to improve student achievement – specifically, by increasing funding for implementation of No Child Left Behind Act requirements, and by granting states more flexibility in meeting Act requirements when federal funding is reduced or insufficient.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 165 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3351 Education and Military Affairs on S.R. No. 103

The purpose of this measure is to urge the federal government to increase funding and flexibility for implementation of the No Child Left Behind Act.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and one individual. Comments in support of the intent of this measure were received from the Hawaii Government Employees Association. Comments concurring with the principles of this measure were received from the Department of Education.

Your Committee finds that the best way for the federal government to make education a national priority is to support states' efforts to improve student achievement – specifically, by increasing funding for implementation of No Child Left Behind Act requirements, and by granting states more flexibility in meeting Act requirements when federal funding is reduced or insufficient.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 103 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3352 Education and Military Affairs on S.C.R. No. 166

The purpose of this measure is to request that the Department of Education conduct a study on alternative cooling methods for schools.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments in support of the intent of this measure were received from the Department of Education.

Your Committee finds that alternative air-cooling is a necessity, especially for schools in the hotter areas around the State, and a Department evaluation of those needs brings the schools one step closer to fulfilling them.

Your Committee has amended this measure by:

- (1) Changing the term “study” to “evaluate”;
- (2) Eliminating “projected total cost” and “timetable for implementation” from the evaluation requirements;
- (3) Adding a final report requirement to be made prior to the convening of the Regular Legislative Session of 2008;
- (4) Adding a clause that sets forth that the evaluation be used to develop a strategic plan for air cooling in public schools; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3353 Education and Military Affairs on S.R. No. 104

The purpose of this measure is to request that the Department of Education conduct a study on alternative cooling methods for schools.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments in support of the intent of this measure were received from the Department of Education.

Your Committee finds that alternative air-cooling is a necessity, especially for schools in the hotter areas around the State, and a Department evaluation of those needs brings the schools one step closer to fulfilling them.

Your Committee has amended this measure by:

- (1) Changing the term “study” to “evaluate”;

- (2) Eliminating "projected total cost" and "timetable for implementation" from the evaluation requirements;
- (3) Adding a final report requirement to be made prior to the convening of the Regular Legislative Session of 2008;
- (4) Adding a clause that sets forth that the evaluation be used to develop a strategic plan for air cooling in public schools; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3354 Education and Military Affairs on S.C.R. No. 105

The purpose of this measure is to urge the United States Congress to support changes to the No Child Left Behind Act of 2001.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments in support of the measure's key recommendations were received from the Department of Education.

Your Committee finds that certain changes must be incorporated into No Child Left Behind Act requirements for the Act to become a positive impetus to school development, and to ensure that young people will learn at their full potential.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3355 Education and Military Affairs on S.R. No. 61

The purpose of this measure is to urge the United States Congress to support changes to the No Child Left Behind Act of 2001.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments in support of the measure's key recommendations were received from the Department of Education.

Your Committee finds that certain changes must be incorporated into No Child Left Behind Act requirements for the Act to become a positive impetus to school development, and to ensure that young people will learn at their full potential.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3356 Education and Military Affairs on S.C.R. No. 104

The purpose of this measure is to urge the federal government to increase funding and flexibility for implementation of the No Child Left Behind Act.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments concurring with the principles of this measure were received from the Department of Education.

Your Committee finds that while the No Child Left Behind Act (Act) was initially accompanied by relatively large increases in federal funding for public elementary and secondary education, funding since the first year of implementation has been minimal and insufficient to fulfill its requirements. Your Committee further finds that the federal commitment to quality public education via the Act must be made along with substantial increases in federal funding to support its stringent requirements.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3357 Education and Military Affairs on S.R. No. 60

The purpose of this measure is to urge the federal government to increase funding and flexibility for implementation of the No Child Left Behind Act.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments concurring with the principles of this measure were received from the Department of Education.

Your Committee finds that while the No Child Left Behind Act (Act) was initially accompanied by relatively large increases in federal funding for public elementary and secondary education, funding since the first year of implementation has been minimal and insufficient to fulfill its requirements. Your Committee further finds that the federal commitment to quality public education via the Act must be made along with substantial increases in federal funding to support its stringent requirements.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3358 Education and Military Affairs on S.C.R. No. 84

The purpose of this measure is to request that the Department of Education (DOE) rename the Ha'iku Elementary School cafeteria the Jean Suzuki cafeteria.

Your Committee received testimony in support of this measure from the DOE and the Haiku Living Legacy Project.

Your Committee finds that according to the DOE, Ha'iku Elementary School supports the renaming of the cafeteria, and that if this measure were passed, the school would then go through existing DOE procedures through which schools rename buildings on their campuses.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3359 Education and Military Affairs on S.R. No. 55

The purpose of this measure is to request that the Department of Education (DOE) rename the Ha'iku Elementary School cafeteria the Jean Suzuki cafeteria.

Your Committee received testimony in support of this measure from the DOE and the Haiku Living Legacy Project.

Your Committee finds that according to the DOE, Ha'iku Elementary School supports the renaming of the cafeteria, and that if this measure were passed, the school would then go through existing DOE procedures through which schools rename buildings on their campuses.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 55 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3360 Commerce, Consumer Protection and Housing on S.R. No. 35

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study on the issue of reclassifying variable annuity contracts as insurance rather than securities.

Specifically, this measure instructs the Legislative Reference Bureau to examine how other states, such as Indiana, are addressing the issue of reclassifying variable annuity contracts as insurance rather than securities.

Testimony in support of this measure was submitted by the Insurance Division and the Business Regulation Division of the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, American Council of Life Insurers, and the National Association of Insurance and Financial Advisors Hawaii. Comments were submitted by the Legislative Reference Bureau.

Your Committee finds that variable annuity contracts are legitimate investments. However, your Committee further finds that there is a concern that overzealous marketing of variable annuity contracts may require greater consumer protection and regulation for certain investors, especially senior consumers, who are at risk if they are not fully informed about the terms of these contracts. Your Committee also finds that there exists uncertainty over the most effective means of regulating sales of variable annuity contracts.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3361 Commerce, Consumer Protection and Housing on S.C.R. No. 55

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study on the issue of reclassifying variable annuity contracts as insurance rather than securities.

Specifically, this measure instructs the Legislative Reference Bureau to examine how other states, such as Indiana, are addressing the issue of reclassifying variable annuity contracts as insurance rather than securities.

Testimony in support of this measure was submitted by the Insurance Division and the Business Regulation Division of the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, American Council of Life Insurers, and the National Association of Insurance and Financial Advisors Hawaii. Comments were submitted by the Legislative Reference Bureau.

Your Committee finds that variable annuity contracts are legitimate investments. However, your Committee further finds that there is a concern that overzealous marketing of variable annuity contracts may require greater consumer protection and regulation for certain investors, especially senior consumers, who are at risk if they are not fully informed about the terms of these contracts. Your Committee also finds that there exists uncertainty over the most effective means of regulating sales of variable annuity contracts.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 55 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3362 Commerce, Consumer Protection and Housing on S.R. No. 23

The purpose of this measure is to request the Department of Commerce and Consumer Affairs to establish a task force to study the issue of supply of contractors and tradesmen in time of natural disaster.

Specifically, this measure requests that the task force study the advisability and feasibility of expedited licensing and licensing exemptions for contractors and tradesmen, as well as the establishment of price controls on building materials and supplies in the event of a natural disaster.

Testimony in support of this measure was submitted by State Farm Insurance Companies; the Subcontractors Association of Hawaii; Associated Builders and Contractors, Inc. - Hawaii Chapter; the Hawaii Association of Realtors; and the Building Industry Association - Hawaii. Comments were submitted by the Department of Commerce and Consumer Affairs and the Contractors License Board.

Your Committee finds that the after-effects of Hurricanes Katrina and Rita in the Gulf region, and Hurricanes Iwa and Iniki in this State, have provided valuable lessons to states facing natural disasters. Your Committee further finds that the proposed task force provides a mechanism to discuss important issues that will enable the State to be properly prepared in the event of a natural disaster.

Upon further consideration, your Committee has adopted the proposed draft of this measure submitted by State Farm Insurance Companies. This measure has been amended by:

- (1) Eliminating references to the establishment of price controls on building materials and supplies as suggested by the Building Industry Association - Hawaii;
- (2) Reconstituting the task force by removing from the task force the Comptroller, the Vice Director of Civil Defense, the representative of an insurer that writes less than twenty per cent of the Hawaii homeowners insurance market, the representative of the Property and Casualty Insurance Association of America, the Executive Director of the Office of Consumer Protection, and the three representatives of construction materials supply houses; and
- (3) Further reconstituting the task force by including in its membership one representative each from the Subcontractors Association of Hawaii, the Building Industry Association - Hawaii, the General Contractors Association of Hawaii, the Associated Builders and Contractors Inc. - Hawaii Chapter, and the Hawaii Association of Realtors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3363 Commerce, Consumer Protection and Housing on S.C.R. No. 42

The purpose of this measure is to request the Department of Commerce and Consumer Affairs to establish a task force to study the issue of supply of contractors and tradesmen in time of natural disaster.

Specifically, this measure requests that the task force study the advisability and feasibility of expedited licensing and licensing exemptions for contractors and tradesmen, as well as the establishment of price controls on building materials and supplies in the event of a natural disaster.

Testimony in support of this measure was submitted by State Farm Insurance Companies; the Subcontractors Association of Hawaii; Associated Builders and Contractors, Inc. - Hawaii Chapter; the Hawaii Association of Realtors; and the Building Industry Association - Hawaii. Comments were submitted by the Department of Commerce and Consumer Affairs and the Contractors License Board.

Your Committee finds that the after-effects of Hurricanes Katrina and Rita in the Gulf region, and Hurricanes Iwa and Iniki in this State, have provided valuable lessons to states facing natural disasters. Your Committee further finds that the proposed task force provides a mechanism to discuss important issues that will enable the State to be properly prepared in the event of a natural disaster.

Upon further consideration, your Committee has adopted the proposed draft of this measure submitted by State Farm Insurance Companies. This measure has been amended by:

- (1) Eliminating references to the establishment of price controls on building materials and supplies as suggested by the Building Industry Association - Hawaii;
- (2) Reconstituting the task force by removing from the task force the Comptroller, the Vice Director of Civil Defense, the representative of an insurer that writes less than twenty per cent of the Hawaii homeowners insurance market, the representative of the Property and Casualty Insurance Association of America, the Executive Director of the Office of Consumer Protection, and the three representatives of construction materials supply houses; and
- (3) Further reconstituting the task force by including in its membership one representative each from the Subcontractors Association of Hawaii, the Building Industry Association - Hawaii, the General Contractors Association of Hawaii, the Associated Builders and Contractors Inc. - Hawaii Chapter, and the Hawaii Association of Realtors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3364 Commerce, Consumer Protection and Housing on S.C.R. No. 34

The purpose of this measure is to request the Auditor to conduct a management audit of the Maintenance Service Section of the Housing and Community Development Corporation of Hawaii (HCDCH).

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (requesting amendments), and the Hawaii Disability Rights Center.

Your Committee finds that the findings and recommendations of a maintenance service audit can be useful building blocks to strengthen the operation and management of public housing programs, particularly in view of the large number of vacant units juxtaposed against the many homeless persons in Hawaii. However, in view of the pending reorganization of the HCDCH on July 1, 2006, your Committee finds that an audit at this time would exacerbate the already challenging tasks at hand.

Your Committee has amended this measure to delay the starting date of the maintenance service audit until after January 31, 2007, with a report to the Legislature prior to the convening of the Regular Session of 2008.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3365 Media, Arts, Science and Technology on S.C.R. No. 82

The purpose of this measure is to urge Congress and the Federal Communications Commission (FCC) to address Hawaii's unique telecommunications needs by supporting local broadcast, cable, print, and satellite media, and future local news and information applications via broadband telecommunications.

Your Committee received testimony in support of this measure from the Society of Professional Journalists, Hawaii Chapter; the International Brotherhood of Electrical Workers, Local Union 1260; the Honolulu Community-Media Council; the Hawaii State AFL-CIO; the Screen Actors Guild Hawaii; and one concerned private individual. A private individual submitted comments.

A vibrant, independent local media ensures diverse programming and public access to information that reflects local concerns. Recently, local media ownership and control in Hawaii has shifted to large mainland media companies. Mainland media ownership, such as the recent sale of KHON2, leads to a reduction of local news staff. Moreover, mainland media ownership has resulted in a decrease of local programs covering local issues, interests, cultures, and arts, and has been replaced with programs lacking a local connection or outreach.

Currently, broadband communications technology has the potential to vastly improve the public's ability to obtain information, communicate, and participate in the democratic process. Moreover, broadband technology can create further opportunities for local

expression. Congress, the FCC, and other regulatory agencies are in the process of making important decisions regarding the deployment of this technology that will profoundly affect programming via broadcast radio and television, cable, satellite, print, and the Internet. Congress and the FCC could create a regulatory scheme that favors large corporate media companies, which would in return, deny local communities from the potential benefits of broadband technology.

Your Committee finds that media without a local voice or community involvement serves only large corporate interests, loses the media's ability to engage local communities in the democratic process, and loses programming that reflects Hawaii's history and ethnic and cultural diversity. Local communities will be ignored if meaningful attention is not given to how new and emerging telecommunication technologies will be deployed on the local level. Your Committee urges the FCC to convene a public meeting in Hawaii to consider the roles of local, state, and federal jurisdictions in ensuring the presence of local broadcast, cable, print, and satellite media and to explore the future of local news and information applications via broadband telecommunications.

Your Committee has amended this measure by adding additional language regarding the effects and benefits that new media telecommunication technologies can have for the public. Additional language was also added to clarify the problems Hawaii faces as a result of mainland corporate media companies gaining control and ownership of local media companies.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 82, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3366 Media, Arts, Science and Technology on S.R. No. 53

The purpose of this measure is to urge Congress and the Federal Communications Commission (FCC) to address Hawaii's unique telecommunications needs by supporting local broadcast, cable, print, and satellite media, and future local news and information applications via broadband telecommunications.

Your Committee received testimony in support of this measure from the Society of Professional Journalists, Hawaii Chapter; the International Brotherhood of Electrical Workers, Local Union 1260; the Honolulu Community-Media Council; the Hawaii State AFL-CIO; the Screen Actors Guild Hawaii; and one concerned private individual. A private individual submitted comments.

A vibrant, independent local media ensures diverse programming and public access to information that reflects local concerns. Recently, local media ownership and control in Hawaii has shifted to large mainland media companies. Mainland media ownership, such as the recent sale of KHON2, leads to a reduction of local news staff. Moreover, mainland media ownership has resulted in a decrease of local programs covering local issues, interests, cultures, and arts, and has been replaced with programs lacking a local connection or outreach.

Currently, broadband communications technology has the potential to vastly improve the public's ability to obtain information, communicate, and participate in the democratic process. Moreover, broadband technology can create further opportunities for local expression. Congress, the FCC, and other regulatory agencies are in the process of making important decisions regarding the deployment of this technology that will profoundly affect programming via broadcast radio and television, cable, satellite, print, and the Internet. Congress and the FCC could create a regulatory scheme that favors large corporate media companies, which would in return, deny local communities from the potential benefits of broadband technology.

Your Committee finds that media without a local voice or community involvement serves only large corporate interests, loses the media's ability to engage local communities in the democratic process, and loses programming that reflects Hawaii's history and ethnic and cultural diversity. Local communities will be ignored if meaningful attention is not given to how new and emerging telecommunication technologies will be deployed on the local level. Your Committee urges the FCC to convene a public meeting in Hawaii to consider the roles of local, state, and federal jurisdictions in ensuring the presence of local broadcast, cable, print, and satellite media and to explore the future of local news and information applications via broadband telecommunications.

Your Committee has amended this measure by adding additional language regarding the effects and benefits that new media telecommunication technologies can have for the public. Additional language was also added to clarify the problems Hawaii faces as a result of mainland corporate media companies gaining control and ownership of local media companies.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3367 Ways and Means on H.B. No. 1900

The purpose of this bill is to appropriate supplemental funds for the operating and capital improvement costs of the Executive Branch for fiscal year July 1, 2006, through June 30, 2007.

I. General Overview

Hawaii's economy is well and thriving. But, even with record revenue growth and a generous budget surplus, your Committee has not lost sight of the economic hardship of the last decade. With memories of lean times and limited resources fresh in our minds, your Committee cannot help but remember the many deserving programs and services that were overlooked to provide funding to the most critically in need, including programs related to the health, safety, and welfare of the State, as well as those fulfilling court mandates.

With "famine-like" experiences fresh in our minds, your Committee avoided adopting a "feasting" approach in crafting this supplemental budget. Instead of spending funds simply because they were available, with little or no concern for the future fiscal requirements of the State, your Committee concentrated on prudent spending and meeting the needs of the community.

The Supplemental Operating Budget

The supplemental operating budget for fiscal year 2006-2007, is a balanced, financially sound, and fiscally responsible approach to the State's financial needs and the budget surplus. More importantly, your Committee believes this budget represents a galvanizing effort by your Committee to establish budgetary priorities for supporting public education, restoring and providing much needed repair and maintenance of the State's aging and neglected infrastructure, and providing the necessary resources to address the needs of the community with respect to health and human resource related services and programs. A discussion of these and other program areas are discussed in part II of this report.

Your Committee continues to make Hawaii's public schools the highest budget priority and the centerpiece of this supplemental budget. Although funding has been increased for virtually all state departments, none approaches the level of funding afforded to the Department of Education. Your Committee has appropriated forty-six per cent of the new general fund appropriations for fiscal year 2006-2007, or \$112,502,283, to the Department of Education for a total of \$1,945,595,878 in general funds for the Department for the fiscal biennium.

Your Committee has also remained dedicated to providing for the basic needs of our citizens with increases in general fund appropriations of \$62,737,479 for the Department of Human Services, \$29,576,088 for related programs at the University of Hawaii, \$16,629,075 for the Department of Health, and \$14,840,050 for the Department of Public Safety.

Overall, your Committee has recommended an increase of the Executive Supplemental Operating Budget in fiscal year 2006-2007, from \$4,523,692,075 to \$4,769,387,180, an increase of \$245,695,105, or 5.4 per cent. For all means of financing, your Committee has proposed a total expenditure level of \$9,574,611,571 for fiscal year 2006-2007, or \$56,095,260 below what was requested by the Executive Branch. This ambitious financial package is based upon optimistic financial projections by the Council on Revenues, tempered by federal fiscal concerns, as well as careful comparisons and observations of fiscal and budgetary programs in other states and the Government Accounting and Standards Board.

Council on Revenues

At its March 6, 2006, meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2006-2007, and beyond. The growth rate for the current fiscal year was set at 9.5 per cent, an increase from the 8.0 per cent projected at their December 16, 2005, meeting. This 1.5 per cent increase represents an additional \$50 million in the general fund. The Council also revised their growth rate in fiscal year 2006-2007, to 6.5 per cent, 1.5 per cent lower than their 7.5 per cent earlier prediction. This adjustment accounts for anomalies such as one-time court settlements and higher than anticipated delinquent tax collections that may plateau or decline.

Federal Reserve

Although the Council on Revenue's future outlook for the State's economy is promising, your Committee cannot ignore the possibility of fiscal uncertainties, such as looming inflationary pressures, the slowing of the housing market, or increases in energy prices, impacting our economy. On February 15, 2006, Mr. Ben S. Bernanke, Chairman of the Board of Governors of the Federal Reserve, touched upon each of these potential problems, in his *Semiannual Monetary Policy Report to the Congress*. Selected excerpts follows:

Inflation

"...to an extent greater than we now anticipate, higher energy prices may pass through into the prices of non-energy goods and services or have a persistent effect on inflation expectations."

Housing Market

"Given the substantial gains in house prices and the high levels of home construction activity over the past several years, prices and construction could decelerate more rapidly than currently seems likely. Slower growth in home equity, in turn, might lead households to boost their saving and trim their spending relative to current income by more than is now anticipated."

Energy Prices

"The possibility of significant further increases in energy prices represents an additional risk to the economy; besides affecting inflation, such increases might also hurt consumer confidence and thereby reduce spending on non-energy goods and services."

Your Committee has found translating the Federal Reserve's observations into operational decisions both challenging and daunting. This exercise, however, is critical to fashioning a budget that is responsible and cognizant of federal fiscal policies that ultimately influence the State's budgetary programs.

Unfunded Federal Mandates

In addition to the potential slowing of the economy, your Committee has been mindful of the efforts of President Bush and the Congress of the United States with respect to the federal deficit. As of this writing, the federal deficit is approximately \$371,000,000,000 for fiscal year 2006-2007, and \$335,000,000,000 for fiscal year 2007-2008, according to the non-partisan Congressional Budget Office. Your Committee recognizes that the deficit may lead to additional cost shifts, including more unfunded mandates for the states.

According to the National Conference of State Legislatures' February 10, 2006, edition of the *Mandate Monitor*, the United States Congress introduced approximately two hundred fifty bills shifting costs to the states, of which sixteen were enacted. Your Committee anticipates continued cost shifts in education, homeland security, and the Temporary Assistance for Needy Families program. The following are examples of some of these underfunded programs and issues:

- The Individuals with Disabilities Act continues to be underfunded by approximately \$4,000,000,000;
- No Child Left Behind continues to be underfunded;
- The REAL ID Act, a law requiring the Department of Homeland Security to establish standards for state issued driver's licenses and identification cards, contains several intergovernmental mandates. The cost to implement the Act is approximately \$100,000,000 over five-years;
- The Deficit Reduction Act cut approximately \$39,000,000,000 from various entitlement and mandatory programs; and
- The Temporary Assistance to Needy Families block grant remains unchanged, however most states will face financial penalties because of changes to work participation requirements.

Additionally, there are also a number of federal bills that propose to withhold federal funds from the states if they do not comply with the new requirements for eminent domain, sex offender, and bioterrorism legislation.

Fiscal and Budgetary Programs in Other States

According to the National Conference of State Legislatures' *State Budget Update: November 2005*, there are strong signs of recovery in virtually every state. However, this recovery is tempered by increases in spending demands. In the current year, the following issues are identified as primary cost drivers:

- Medicaid and other health care concerns dominate legislative discussions, as they did last year. At least twenty-three states will address these issues. Medicaid accounted for twelve per cent of general fund budgets in fiscal year 1995-1996, but grew to nearly seventeen per cent by fiscal year 2005-2006. Some of the cost drivers behind Medicaid, like medical cost inflation will also affect other state-provided health care programs;
- Fifteen states expect education to be a top fiscal priority in their 2006 legislative sessions;
- Taxes will top discussions in fourteen states;
- General budget issues will be a high priority in eleven states;
- Ten states will consider funding for transportation and other infrastructure projects;
- Tax and expenditure limits will top discussions in six states;
- Corrections funding will top agendas in five states; and
- Other issues with cost implications for the states include pensions and retirement issues, gambling expansion, hurricane recovery, a new gas pipeline, housing, and new sports stadiums.

The Government Accounting and Standards Board's Statement 45

Another potential cost for all states is the Government Accounting and Standards Board's Statement 45. The Board was organized in 1984 as an operating entity of the Financial Accounting Foundation to establish standards of financial Accounting and reporting for state and local governmental entities. The Board's standards guide the preparation of external financial reports of those entities.

Statement 45 requires the states to provide future cost reporting and accounting regarding financial obligations that governments incur when they provide post-employment benefits other than pensions at or after separation from employment as part of the total compensation for services. Primarily, Statement 45 requires governments to estimate the eventual total costs for providing retiree health insurance benefits on an accrual, rather than a "pay as you go" basis, beginning in fiscal year 2007-2008. As a very general example:

Assume that the average employee retires at age 65 and has a 20-year life expectancy. Assume the cost of a family plan for a couple on Medicare is \$10,000 per year. A state will pay and must accrue \$200,000 for that retiree's family plan. If there are 44,000

employees and retirees over that twenty-year span, the liability to that state would be \$8,800,000,000. The Executive Budget has over 44,000 full-time equivalent employees.

Though Statement 45 will help the states to identify relevant costs and prepare budgetarily for the future, its fiscal impact could be enormous.

II. Budget Program Highlights

Public Education

Education remains the State's top priority and providing the necessary tools to educate Hawaii's children has been the focal point for the 2006 legislative session. To this end, your Committee reaffirms its support for Hawaii's public school system by crafting a supplemental budget that reflects the priorities of both the Board of Education and the Department of Education.

In October 2005, the Board of Education approved the Department of Education's Executive Supplemental Budget requests of \$105,005,888 in general funds for fiscal year 2006-2007 to address many important areas in the public school system. The budget was subsequently revised downward by the Executive Branch to \$82,504,214, creating a shortfall of \$22,501,674 in general funds.

Due to an improved budgetary projection, your Committee was able to provide for the shortfalls created by the Executive Branch with an additional \$30,839,509 in general funds (totaling \$113,343,723 in operating funds) to further support students with the necessary resources for higher achievement. In doing so, your Committee provided:

- \$2,000,000 for additional science textbooks and other science learning materials;
- \$175,000 for Preliminary Standards Achievement Testing or PSAT for all tenth graders;
- \$500,000 for Advanced Placement teacher training, classroom materials, and test costs; and
- \$1,193,669 for the English as a Second Language Learners program.

Another important issue for your Committee with respect to education was the Reinventing Education Act of 2004. The Act included various mandates that required the Department of Education to:

- Devise a new budget allocation system using the weighted student formula;
- Convert from a traditional ten-month public school calendar to a single twelve-month statewide calendar;
- Transfer responsibilities from other state agencies to the Department of Education; and
- Upgrade the technology infrastructure to support a data-driven public education system.

Your Committee believes that carrying out these mandates is essential and has provided \$30,000,000 in general funds for the transition to the weighted student formula to ensure that no school will lose more than ten per cent of its operating budget. In addition, your Committee approved the transfer of 12,876.1 permanent positions and \$912,326,295 in general funds between programs in the Department of Education to align the budget with the weighted student formula.

In addition, your Committee provided \$24,380,143 in general funds for a one-time salary payment adjustment for 10-month employees to convert from a traditional calendar to a single school calendar. Your Committee also provided \$1,510,371 in general funds for the transfer of responsibilities from the Department of Accounting and General Services and the Department of Human Resources Development to the Department of Education. Finally, your Committee provided \$5,000,000 in general funds for technology infrastructure in the areas of human resources, student information, and network and data processing.

Student support services also received additional funding due to increasing enrollment projections and the rising costs in providing these needed services. To ensure that the services are sustained, your Committee provided additional funding as follows:

- \$1,634,594 for Special Education teachers;
- \$1,741,092 for Occupational Therapy services;
- \$653,186 for Physical Therapy services;
- \$2,680,356 for Speech-Language Pathologist services;
- \$430,000 for skilled nursing services for the medically fragile;
- \$1,708,355 for School-Based Behavioral Health services;
- \$6,900,000 for services for students with Autism Spectrum Disorders; and
- \$275,770 for students serviced in the Comprehensive School Alienation Program.

In addition, your Committee provided \$13,128,901 in general funds to address the rising cost of electricity and \$9,438,615 in general funds to address shortfalls in student transportation costs.

The supplemental budget also addressed the physical condition of public schools by allocating a total of \$302,505,000 for capital improvements and repair and maintenance for facilities across the State. Your committee used a combination of general obligation bond funds and general funds to finance an aggressive program to both meet the needs of current public school students and plan for the future demands of succeeding generations, including the following appropriations:

- \$160,000,000 to complete the whole school classroom renovation program;
- \$50,000,000 for major repair and maintenance projects;
- \$10,000,000 for the Project Adjustment Fund; and
- \$5,000,000 for noise and heat abatement projects.

Your Committee believes that these appropriations will provide Hawaii's 183,000 public school students with the necessary resources to effectuate positive changes in their education.

Higher Education

Your Committee recognizes that the University of Hawaii is the State's only public institution for higher learning. One of the missions of the University of Hawaii is to serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment. As Hawaii's labor market continues to prosper, the University of Hawaii will be looked upon to educate and prepare students to meet workforce demands. To address these issues, your Committee approved \$7,975,230 in general funds for various workforce development programs.

The healthcare professional shortage affecting Hawaii raises concerns regarding the State's ability to provide quality medical care in a timely manner. Your Committee acknowledged these concerns and provided seventeen permanent positions and \$695,071 in general funds for the School of Nursing and Dental Hygiene to produce healthcare professionals who will address the medical needs of Hawaii. Your Committee also approved three permanent positions and \$463,306 in special funds for the Hawaii State Center for Nursing to monitor issues that affect Hawaii's nurses.

Your Committee also approved twelve permanent positions and \$1,414,671 in general funds to establish a School of Pharmacy at the University of Hawaii Hilo campus. Producing locally educated pharmacists will provide excellent career opportunities for students, address Hawaii's need for pharmacists, and provide improved healthcare for Hawaii's residents.

Hawaii's construction industry has seen major growth in recent years. Numerous projects have been undertaken, while many more projects remain dormant due to a lack of skilled laborers. Your Committee understands the concerns of the construction industry and provided forty six permanent positions and \$5,402,182 in general funds to create a Statewide Construction Academy that will address the shortage of skilled laborers by providing students with essential job skills for the construction industry.

Rapidly developing technologies play an important role in all operations at major academic institutions. In keeping with the vision of creating a world-class institution of higher learning, the University of Hawaii must take advantage of the latest technology and develop its own technological systems to enhance the productivity of students and faculty. Your Committee acknowledged the need to utilize technology and provided fourteen permanent information technology positions and \$740,718 in general funds to support system-wide projects. Your Committee further approved the conversion of thirty eight temporary information technology positions to permanent status to improve the productivity of the University of Hawaii's students and faculty.

Providing quality student services is an essential part of creating a productive academic environment. Your Committee understands the importance of accessible student services and approved nineteen permanent positions and \$645,345 in general funds to increase financial aid services, disability services, and various other necessary student services offered system-wide. Your Committee also approved an additional \$2,000,000 in general funds for the B Plus program, which provides tuition for low and middle-income students who attend the University of Hawaii's community colleges.

In addition to devoting resources to improve the University of Hawaii's workforce development programs, technological support, and student services, your Committee also provided \$86,285,000 for capital improvements system-wide. This included \$20,000,000 for capital renewal and deferred maintenance and \$7,469,000 for health, safety, and code compliance requirements.

Public Safety

In 2005, the United States Department of Justice evaluated the mental health services at Oahu Community Correctional Center. Although the report's findings are not yet public, your Committee believes that it would be prudent to take a proactive approach and address concerns reported in the exit interview. To this end, your Committee provided a total of twenty-six permanent positions and \$1,547,386 in general funds to ensure that inmates suffering from mental illnesses receive appropriate mental health treatment.

The overcrowded and deteriorated condition of the State's correctional facilities continues to be an important issue for your Committee. In order to help alleviate this situation, your Committee employed both temporary and long-term strategies. To address the immediate situation, your Committee provided an additional \$10,961,662 in general funds for fiscal year 2006-2007, to send six

hundred twenty-six additional inmates to the mainland, including two hundred fifty inmates who will be displaced during fire safety equipment repairs at Halawa Correctional Facility. In order to address the long-term physical condition of our existing correctional facilities, your Committee provided \$14,635,000 for various repair and maintenance programs to enable the Department to proceed with projects that will directly affect the health and safety of inmates and staff.

Your Committee strongly believes that housing inmates on the mainland should be undertaken only as a short-term solution and urges the Executive Branch to develop a plan that allows Hawaii inmates to return to the State as expeditiously as possible. In the meantime, 1,829 inmates are currently housed in mainland facilities, and the State anticipates sending more inmates in the next fiscal year. Accordingly, your Committee feels an obligation to ensure that the terms of our prison contracts are upheld and enforced and that prisoners receive appropriate treatment. As such, your Committee authorized ten positions to monitor all contracts and provide case management for all Hawaii inmates situated on the mainland.

Health

Your Committee remains fully committed to ensuring that essential health related services remain a legislative priority. This commitment is affirmed by providing continued support to those most in need of health services. The health related appropriations made by your Committee ensure appropriate services for high-priority health programs in the State.

With regard to maintaining the health and safety of the public, your Committee provided funds to meet the statewide needs of the Emergency Medical Services ambulance services. Your Committee provided \$8,683,373 in general funds and \$1,693,658 in special funds to continue the improvements for the Emergency Medical Services and its contracting agencies on the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai. This level of funding not only ensures that the Emergency Medical Service's operational needs are met, but more importantly, in ensures that the infrastructure support is provided for by appropriating the necessary funding to purchase replacement ambulances and additional medical equipment and supplies.

Your Committee continues to provide full support for the State's mentally ill population and has provided the Department of Health's Adult Mental Health Division with full funding totaling \$7,730,224 in special funds for fiscal year 2006-2007. These funds will provide for community-based contract services and for central services and administrative cost assessments. In addition, your Committee provided \$578,144 in general funds for the Hawaii State Hospital to cover the increasing costs of pharmaceutical drugs. Your Committee also provided \$60,000 in general funds for an overhead paging system to allow a tie-in between the Guensberg and Cooke buildings with the rest of the Hospital. The tie-in should allow for a single paging system throughout the Hawaii State Hospital.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community-Based Waiver Services, your Committee fully funded the Developmental Disabilities Division by providing the additional \$5,000,000 in general funds to meet the state matching requirements under the federal Title XIX. Your Committee also provided \$51,559,936 in interdepartmental transfer funds to establish the ceiling for the Medicaid Home and Community-Based Services Waiver Program to allow the Title XIX program to collect federal funds received as reimbursements. Further, your Committee provided \$144,000 in general funds for on-going maintenance and grounds support for the Waimano facility in both recurring and non-recurring costs.

Your Committee commends the Hawaii Health Systems Corporation for its continued collaboration with the Department of Human Services. Their work resulted in the final approval from the Centers of Medicare and Medicaid Services, which authorized the State to draw down up to \$15 million in federal funds, to reimburse Hawaii's hospitals for uncompensated care. Your Committee also provided an additional \$1,360,000 in general funds to fund primary care services for the uninsured throughout the State.

Your Committee believes in the importance of preserving and enhancing environmental quality as it relates to human and ecological health in Hawaii. To this end, your Committee supported the Department of Health's environmental programs with new permanent positions and funds for various projects. Your Committee believes that the creation of four new permanent positions and \$76,357 in general funds will provide the necessary clerical support for the Department's Wastewater Branch. These funds will improve efficiency in processing the individual wastewater system applications and building permits to provide relief to the Department's engineers.

Your Committee also supported the Deposit Beverage Container Program attached to the Department of Health's Solid and Hazardous Waste Branch by converting the six temporary special-funded positions to permanent status. Your Committee also established four new special-funded permanent positions to provide the Deposit Beverage Container Program with adequate support to improve the overall effectiveness of the program as well as to safeguard against fraud. Your Committee affirmed its support of the Wastewater Branch by providing a \$38,043,669 ceiling increase for the Water Pollution Control Revolving Fund to allow the program to process its loans without delays or interruptions as required by Title VI of the Water Quality Act of 1987. Your Committee also provided the Safe Drinking Water Branch with an \$8,000,000 revolving fund ceiling increase for the Drinking Water Treatment Revolving Fund that reflects the proper ceiling required by the program. The ceiling increase will also allow funds to be made available to the counties for the upgrading of their water systems.

Your Committee also supported Department of Health programs that respond to infectious disease outbreaks or other public health emergencies. The federally funded Bioterrorism Preparedness and Response Branch of the Disease Outbreak Control Division plays an integral role in ensuring national security in Hawaii. To this end, your Committee reviewed the June 22, 2005, correspondence between the former Director of the Department of Human Resources Development and the Director of Health relating to the Bioterrorism Preparedness and Response Branch.

In the memorandum, the former Director expressed concern that the Bioterrorism Preparedness and Response Branch had been an on-going program since 1999 and that its activities no longer appeared to have the characteristics of a special project. One of the findings in the memorandum recommended that continued exemptions outside of the civil service class might therefore be inappropriate. To address the concern raised by the Department of Human Resources Development, the Department of Health

subsequently replaced former exempt clerical positions with civil service positions to effectuate a smooth transition into this new classification.

Your Committee also addressed concerns regarding section 167 of Act 178, Session Laws of Hawaii 2005, relating to unauthorized positions. Your Committee supports the Bioterrorism Preparedness and Response Branch transition of the remaining exempt positions. Your Committee has also converted the first of twelve temporary federally funded positions authorized within the Bioterrorism Preparedness and Response Branch to full-time permanent civil service status effective July 1, 2006. Your Committee believes that the permanent classification will provide these positions with stability and assurances of continuity within the Branch.

Your Committee also traded-off \$500,000 in federal funds from personal services, other personal services, and from other current expenses to equipment costs for fiscal year 2006-2007. Your Committee believes that this trade-off will provide the Branch with greater flexibility and enable the Branch to procure necessary laboratory equipment and supplies it deems fit during fiscal year 2006-2007.

Finally, in order to further support the Department of Health's efforts to provide essential health related services to the residents of Hawaii, your Committee provided a total of \$18,394,000 for several necessary repair and improvement projects for Department of Health facilities.

Human Services

Your Committee recognizes the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves.

Your Committee finds that a sign of the strength of Hawaii's economy is the Federal Medical Assistance Percentage rate, which annually compares the State's average per capita income with the national average income and adjusts the federal reimbursement rate accordingly. States with a higher per capita income receive a lower reimbursement. In the upcoming fiscal year, the rate for Hawaii will decrease from 58.81 per cent to 57.55 per cent, resulting in a loss of \$6,947,379 in federal funds for the State. As such, your Committee has provided \$6,836,106 in general funds for fiscal year 2006-2007 to cover this decrease in funding.

Your Committee also finds that, despite the growth of Hawaii's economy, the number of individuals who lack adequate medical coverage has increased. In particular, the QUEST program has seen a dramatic increase in enrollment with its actual 2006 enrollment exceeding its budgeted projections. One reason for this spike in enrollment is an increase in the number of people from the Compacts of Free Association who have come to Hawaii seeking medical treatment. The Department projects a 29.6 per cent increase in QUEST expenditures over the budgeted base amount for these clients for fiscal year 2006-2007 and expects the increase in enrollment to continue. Recognizing the seriousness of this problem, your Committee has provided \$9,999,193 in general funds to cover the higher than expected enrollment rate for QUEST and \$13,000,000 in general funds for a one-time payment of the current Medicaid carry-over debt.

Additionally, on January 23, 2006, the Governor stated in her State of the State address that one of her priorities was to promote access to medical care for Hawaii's low-income families. Your Committee concurs with the Governor and has increased the federal fund ceiling for health care payments by \$12,151,650 to allow the Department to draw down funding for the implementation of the QUEST Adult Coverage Expansion. Your Committee has also appropriated \$3,166,632 in general funds and \$4,462,887 in federal funds for fiscal year 2006-2007 for the restoration of the Adult Preventive Dental Benefit for the Aged, Blind and Disabled and the QUEST populations.

With respect to affordable housing, your Committee finds that, in this current economic boom, it has become increasingly difficult for the homeless to find permanent housing. In response to this dilemma, your Committee has provided \$19,064,932 in general funds for fiscal year 2006-2007 for the repair and maintenance of current homeless shelters and for supportive services for the homeless population, including an expansion of the State Homeless Outreach Program and the State Homeless Stipend Program.

Finally, in February of 2006, a settlement was reached with the Department of Justice regarding the Hawaii Youth Correctional Facility. The State entered into a Memorandum of Agreement to address the key issues related to the Facility, such as more comprehensive training for youth correctional officers and improved access to medical and mental health care for youth in the Facility. Recognizing the time-sensitive nature of this issue, your Committee provided \$2,852,744 in general funds for fiscal year 2006-2007 for additional personnel, equipment, and other current expenses necessary for compliance with the Agreement.

Business, Economic Development, and Tourism

Your Committee recognizes the importance of providing funds for promoting Hawaii abroad to support economic development. Your Committee has therefore provided \$65,000 in general funds for marketing support for fiscal year 2006-2007. Your Committee does not believe, however, that full funding for the Strategic Marketing and Support program is justified based upon the current rate of its return on investment. Moreover, your Committee believes that the Program's trade shows and mission trips are provided with adequate financial support from other public and private sources.

With respect to the Hawaii Convention Center, your Committee provided \$1,000,000 in general funds and \$2,000,000 in special funds in order to address much-needed repair and maintenance concerns. Your Committee further understands the importance of tourism for the State and has provided \$250,000 in special funds for the Economic Planning and Research program to conduct visitor surveys that provide the State with vital information on visitor statistics.

Concerning the Natural Energy Laboratory of Hawaii Authority, your Committee has provided for one temporary position and \$990,850 in special funds to cover increased electricity costs, additional laboratory equipment, and increased security on the Authority's property.

Finally, in order to implement Act 196, Session Laws of Hawaii 2005, your Committee provided for the transfer of forty five temporary positions from the Department of Human Services and transferred \$3,000,000 in federal funds, \$5,608,261 in revolving funds, and \$19,008,563 in trust funds to the Department of Economic Development and Tourism.

Accounting and General Services

Your Committee finds that the past several years has provided numerous examples of the devastation that fires and natural disasters can cause both in Hawaii and across the nation. To prepare for such disasters, your Committee has provided \$6,500,000 in revolving funds, \$1,221,600 in general funds, and \$278,200 in special funds to increase Hawaii's flood insurance coverage, as well as to provide for increases to property and flood insurance premiums.

Your Committee recognizes the important role that the Department of Accounting and General Services serves in providing centralized services, including the upkeep of state buildings and grounds. The Department is responsible for electricity costs for numerous buildings statewide and has experienced the impact of rising energy costs. Thus, your Committee has provided \$687,567 in general funds to cover the Department's anticipated deficit for fiscal year 2006-2007. An additional \$508,176 in general funds was provided for groundskeeping and tree-trimming to keep state grounds both safe and attractive.

Budget and Finance

As a result of the June 2005 merger between PeopleSoft and Oracle, the Employer-Union Trust Fund was left without technical support for its current PeopleSoft operating software. Your Committee appreciates the need for continued maintenance and support of the current operating system of the Employer-Union Trust Fund, however, your Committee feels that providing \$600,000 in trust funds for the maintenance and support of the system would only provide a temporary solution to this problem. Thus, to provide a more permanent and long-term solution to this problem, your Committee has provided \$2,000,000 in trust funds for fiscal year 2006-2007, for an upgrade of the Employer-Union Trust Fund operating system.

Your Committee finds that, over the past five years, the number of cases handled by the Office of the Public Defender has increased statewide causing many problems, including understaffing at the Office's Kona Branch. Your Committee strongly believes in providing legal services to the citizens of Hawaii and has authorized an additional Deputy Public Defender and provided \$92,152 in general funds for fiscal year 2006-2007. Your Committee also allocated \$3,055,000 in general funds to provide funds to pay for the increased cost of attorney fees for court appointed counsel as mandated by Act 86, Session Laws of Hawaii 2005.

Commerce and Consumer Affairs

The primary impetus behind the Department of Commerce and Consumer Affairs' supplemental budget request focused on promoting a business environment that fostered best practices in commerce for the State while protecting the rights of consumers. In support of this objective, your Committee provided four permanent positions to strengthen the Department's enforcement and investigative capabilities in the areas of insurance fraud and regulated industries. Your Committee further believes that providing adequate staffing will enable the Department to carry out its mandate to conduct examinations in the captive insurance industry--a rapidly evolving industry in the State that has recently seen competition from twenty five other states in the nation. Your Committee also provided the necessary staffing to support critical information technology functions for the Department's various divisions.

Land and Natural Resources

Over the past few bienniums, the Department of Land and Natural Resources has seen a decline in funding due in large part to scarce state revenues. As the State focused its meager resources on the most critical of services, the Department proceeded as best as it could under the circumstances. To rectify this situation, your Committee has responded to the Department's top priority by restoring thirteen permanent positions and funding \$565,020 in general and special funds.

One of the main concerns of your Committee is the protection of the State's natural area reserves, not only for the benefit and enjoyment of the people of Hawaii but also for future generations. To carry out this objective, your Committee believes that the Department should be provided with adequate personnel to perform fieldwork, conduct research and studies, perform necessary repair and maintenance, and monitor the use of private and public land, water resources, and geological features.

Your Committee finds that Hawaii's rich cultural resources and unique ecosystems are constantly besieged by invasive species, wildland fires, soil erosion, predatory and feral animals, and public overuse. To prevent further degradation and disappearance of the State's fragile environment, your Committee provided full funding for one permanent and seventeen temporary positions and \$4,700,000 in special funds for this purpose.

Your Committee also finds that, with a more stable source of funding provided by the Legacy Lands Act, the Department has found renewed leverage to seek out opportunities and acquire interests or rights in land having value as a resource to the State. To this end, your Committee provided \$4,000,000 in special funds for this purpose. Your Committee, however, is concerned with transparency in the process of acquiring lands and recommends support for Senate Bill No. 3077 in conjunction with the increase in the spending ceiling for the Land Conservation Fund. Senate Bill No. 3077 proposes to create a Legacy Land Conservation Commission to assist the Department and the Board of Land and Natural Resources in administering the Land Conservation Fund.

Your Committee is also concerned with the level of maintenance at park and small boat harbor facilities across the State. The lack of funding in prior years in this area has resulted in facilities that pose safety and health hazards to the public and are in urgent need of repair and maintenance. Your Committee provided ten permanent positions and \$320,312 in special funds to address the repair and maintenance needs of small boat harbors and state parks. Your Committee also provided \$486,000 in special funds to power wash and sanitize state park restrooms twice a month.

With respect to the State's efforts to protect and account for streams and stream diversions, your Committee finds that, with over three hundred seventy-six perennial streams and 1,242 registered or permitted stream diversions statewide, there is only one staff person to develop the Instream Flow Standards program. The urgency of establishing the program was hastened by recent Hawaii Supreme Court rulings that held the current interim program to be inadequate for protecting the State's streams and required the Department to take immediate steps to develop a more defensible program for streams statewide. To this end, your Committee provided one permanent position and \$701,600 in general funds to verify and inventory surface-water uses and stream diversions across the State, which are considered necessary first steps towards establishing the program. Your Committee also provided a permanent geologist position and \$51,088 in general funds to facilitate this task.

Your Committee finds that illegal activities, including drug activities, vandalism, assault, drinking, and theft at various state parks and small boat harbors exacerbates the Department's limited manpower. Although security is needed at these facilities, your Committee finds that earlier proposals to contract with private security services to prevent this kind of activity may not be as efficient as, or provide the kind of deterrence as, that which could be provided by a Conservation and Resources Enforcement Officer. To this end, your Committee provided eleven additional enforcement officers statewide and \$389,664 in general funds in lieu of funding private security contracts.

Transportation

In the aftermath of the September 11, 2001, attacks, the United States Transportation and Security Administration and the Federal Aviation Authority have implemented stringent federal laws that placed additional requirements on state airports nationwide. These federal requirements have resulted in funding shortfalls for security services at airports across the State for fiscal year 2006-2007. Although your Committee provided the requested \$6,889,556 in special funds for security services, your Committee is concerned with the transfer of this responsibility from the federal to state governments, especially under threat of federal sanctions. Your Committee believes that the federal government must shoulder the bulk of the cost for federally mandated security measures that are beyond the State's ability to maintain on a long-term basis.

As part of this federal mandate, the state Department of Transportation was required to purchase aircraft rescue and fire fighting vehicles for Kona International Airport and the domestic airports at Waimea-Kohala, Hana, Kapalua, and Kalaupapa. These domestic airports have recently been categorized as Class III airports and must acquire on-site emergency vehicles no later than June 2007 in order to comply with federal operational and safety requirements. To this end, your Committee provided full funding of \$1,351,853 in special funds for the purchase of these vehicles. Although the federal government assumed ninety-five per cent of this total cost, your Committee remains concerned regarding the maintenance of this type of vehicle over the long-term.

Your Committee also provided \$6,000,000 in special funds as an interim measure to replace the Wiki-Wiki buses at the Honolulu International Airport. Your Committee agreed that it would be more cost-effective to replace the entire bus fleet, given the lack of bus parts and the high cost of overhauling the existing decade-old fleet.

Your Committee finds that the Highways Division of the Department of Transportation is undertaking a significant endeavor with its proposed implementation of a new financial management system. The system will be funded eighty per cent by the federal government, while the Department assumes the remaining twenty per cent cost. Your Committee supports the Department's efforts to strengthen its accountability over public funds and has provided \$9,864,000 in special and federal funds for this purpose.

Additionally, the latest surge in fuel costs, in addition to increased consumption, resulted in shortfalls in electricity costs for the Department. Your Committee provided \$3,072,513 in special funds to address the funding shortfall in electricity for airports and harbors statewide. To meet the Harbors Administration's debt service requirements, your Committee provided \$2,881,010 in special funds. Your Committee also provided \$7,500,000 in federal funds for facility improvements to the ferry commuter system on Maui.

Your Committee notes that the federal funding increase that the Executive Branch requested for the statewide commuter Van Pool program may not be feasible over the long run. The program was initiated with the intent of eventually transferring it to the counties, but the counties appear unwilling to assume that responsibility, citing other higher transit priorities. Although your Committee provided \$290,000 in federal funds for the program, your Committee urges caution and suggests reviewing this issue in the upcoming biennium.

Finally, consistent with your Committee's reservations regarding short-term federal funding that binds the State to long-term financial obligations, your Committee held the Executive Branch's request of \$3,960,000 in federal funds for non-urban public transportation systems in the counties of Hawaii, Maui, and Kauai. Your Committee, however, agreed to the Executive Branch's request of \$1,137,195 in federal funds for the same purpose. Should the Executive Branch still require the \$3,960,000 in federal funds to assist the counties, your Committee notes that the Governor has the authority to raise the federal fund ceiling as the need arises.

Agriculture

The environment is the State's most precious resource. Protecting native plants, animals, and agricultural products from invasive species in an important step towards preserving Hawaii's unique environment. To address this issue, your Committee approved \$293,000 in federal funds and two temporary positions to perform agricultural pest surveys throughout the State to detect insect pests, weeds, and plant diseases that pose a threat to Hawaii's environment.

Historically, ten to twenty foreign invasive invertebrate organisms establish themselves in Hawaii each year. Many of these organisms have exploited native plants and animals, and agricultural products. Prompt detection, identification, and investigation of these pests are vital to the implementation of control strategies to minimize the loss of native plants and animals and agricultural products. To this end, your Committee also approved four permanent and eleven temporary inspector positions and \$430,000 in interdepartmental transfer funds and \$230,412 in general funds, exclusively for positions that will be stationed at Hawaii's airports and harbors to prevent invasive species from entering Hawaii.

In addition to positions to combat invasive species, your Committee provided \$11,886,000 for the repair and maintenance of irrigation systems across the State. These appropriations address important components necessary for the success of diversified agriculture in Hawaii.

Attorney General

Your Committee finds that illegal drug activity involving methamphetamine or "ice" is a serious problem in the State. In addressing this problem, Act 63, Session Laws of Hawaii 2003, created the Drug Nuisance Abatement Unit in an effort to enforce and prosecute violations of drug nuisance abatement laws. Since its inception, the unit has had tremendous success in closing down drug houses and disrupting the distribution and manufacture of drugs. Your Committee recognizes the importance and need for this unit and has funded one temporary and two permanent positions for this purpose. Your Committee also appropriated \$150,000 in general funds to provide continual support of drug abatement activities.

Defense

The efforts of all members of our armed forces are greatly appreciated as they defend our freedom and liberties. The sacrifices they make for our nation serve as examples of selflessness and true patriotism. According to a recent United States Pentagon survey, more than one-third of the United States soldiers returning from the war in the Middle East received psychological counseling soon thereafter. With the anticipated return of 2,920 troops from the war, the state Department of Defense will be unable to fully meet its obligation of offering comprehensive services to Hawaii's veterans on a timely basis. To address this concern, your Committee provided \$39,648 in general funds to hire an additional counselor who will serve veterans across the State.

Your Committee also finds that the importance of homeland security and disaster preparedness has become magnified due to recent events abroad and locally. To address this issue, your Committee provided \$4,000,000 to retrofit public buildings with hurricane protective measures and raised the federal funding ceiling by \$50,000,000 to support Hawaii's homeland security and disaster preparedness requirements in the event of a manmade or natural disaster.

III. Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee recognizes that there may be substantial future costs to the State and has therefore taken a very prudent approach to appropriating financial resources.

Toward this end, your Committee has studied and learned from the fiscal crises of the past, but looks to the future with optimism, knowing the resources provided in this budget will be administered fairly and expeditiously by the Executive Branch. Your Committee is confident that this supplemental budget will address the needs of the State and provide for the health, safety, and welfare for all of its people.

As affirmed by the record of votes of the members 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. 1900, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3368 (Majority) Ways and Means on H.B. No. 2500

The purpose of this measure is to provide the Judiciary with the supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2005-2007 by amending the Judiciary Appropriations Act of 2005.

Your Committee provided an additional \$2,710,270 in general and special funds for the Judiciary, increasing the Judiciary's total budget for fiscal year 2007 to \$133,987,960. This funding will enable the Judiciary to fulfill its mission of "administering justice in an impartial, efficient, and accessible manner in accordance with the law."

Your Committee recognizes that the current probation population, which includes crystal methamphetamine users and domestic violence offenders, is increasingly failing to comply with the terms of traditional probation. The result is probation revocation and costly incarceration, contributing to the overcrowding in our correctional facilities. To address the problem, your Committee has provided seven temporary positions and \$1,245,118 in special and general funds to expand the Probation Modification Project, which provides close supervision, treatment services, and immediate consequences for the violation of probation terms. The pilot program has already shown very promising results and the funding provided will allow the Judiciary to expand the program to oversee 1,257 of the most high-risk offenders.

Your Committee also included in the measure additional funding for programs as follows:

- (1) \$241,000 in general funds to provide additional guardians ad litem for children and attorney services for indigent parents in the Family Court of the First Circuit;
- (2) \$158,329 in general funds to help establish the Court Interpreter Certification Program;
- (3) \$145,178 in general funds for various drug courts in the Second Circuit;
- (4) \$60,000 in general funds for a purchase of service to continue operations of the Kauai Teen Court in the Fifth Circuit; and
- (5) \$41,916 in general funds for the Office of the Public Guardian.

In addition to the resources provided for the Judiciary's operating requirements, your Committee appropriated \$12,500,000 in capital improvement projects, including \$10,000,000 to purchase land for the Kapolei Judiciary Complex, and \$1,500,000 for various renovations, repairs, and improvements to Judiciary facilities statewide.

As affirmed by the record of votes of the members 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. 2500, 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. 2500, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3369 Ways and Means on H.B. No. 2346

The purpose of this measure is to make an emergency appropriation for the electricity costs of the Department of Education.

Specifically, the measure appropriates \$5,169,458 to fund the Department of Education's electricity usage.

Your Committee finds that electricity costs of the Department of Education are centrally budgeted within the Office of Business Services. The Department requires emergency funding based upon increases in electricity usage and in the cost per kilowatt-hour. If emergency funds are not appropriated, current Department of Education funding for electricity costs will last until April, 2006.

Your Committee has amended this measure by:

- (1) Reducing the amount appropriated to \$4,908,748; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2346, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Trimble).

SCRep. 3370 Ways and Means on H.B. No. 2347

The purpose of this measure is to make an emergency appropriation to allow for the continued operation of the Department of Education's student transportation program.

Specifically, the measure appropriates \$5,785,488 to fund the projected shortfall for public school student transportation services.

Your Committee finds that approximately 43,500 public school students use the Department of Education's school bus transportation services, including 3,500 special needs students. Many families rely on the Department to provide this transportation. The shortfall is primarily due to the necessity of spending \$3,600,000 of fiscal year 2005-2006 funds for expenses incurred during the previous fiscal year and \$4,700,000 for bus service contract increases. Your Committee finds that if emergency funding is not provided, the Department of Education anticipates running out of funds to pay applicable contracts in April, 2006.

Your Committee has amended this measure by making a 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 H.B. No. 2347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2347, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Trimble).

SCRep. 3371 Transportation and Government Operations on S.C.R. No. 48

The purpose of this measure is to establish a task force to recommend whether the Department of Transportation should adopt the basic rider course of the Motorcycle Safety Foundation as a comprehensive educational program for the entire motorcycle community.

Your Committee received testimony in support of this measure from Street Bikers United Hawaii; Street Bikers United Hawaii – Oahu Chapter; Street Bikers United Hawaii – Maui Chapter; Motorcycle Safety Foundation; Harley-Davidson Motor Company; Kawasaki Motors Corp., U.S.A.; Advocates: Government Affairs Consulting; and four individuals. Comments were received from the Department of Transportation.

Current law requires a person seeking to obtain motorcycle liability insurance coverage to also complete the same motorcycle education course approved by the Department of Transportation. The current motorcycle education course of the Department of Transportation is the Hawaii Motorcycle Safety and Education Program, which was first developed nearly twenty years ago and which is an outdated program that only one or two states still administer today. The new replacement course is the Basic Rider Course of the Motorcycle Safety Foundation, which is the only entity nationally that develops and produces certified motor cycle rider instruction courses. Military bases in Hawaii conduct the Basic Rider Course for military personnel, but the personnel who pass that course are unable to obtain a Hawaii motor cycle license because the Department of Transportation has yet to adopt the program.

Your Committee finds that the delay in adoption of the updated Basic Rider Course in Hawaii has reached critical proportions, since the current Hawaii Motorcycle Safety and Education Program passed the deadline for continued certification by the Motorcycle Safety Foundation. Your Committee notes, however, that the delay was caused by a state affiliated entity rather than by the Department of Transportation.

Your Committee has amended this measure by:

- (1) Adding that the task force consider whether current holders of motor cycle drivers licenses be re-tested or re-licensed under the new Basic Rider Course;
- (2) Adding concerns about state liability;
- (3) Adding each branch of the United States military, Motorcycle Dealers Association, Honolulu Police Department, and a rider coach trainer to membership on the task force; and
- (4) Deleting representation of the county directors of finance, for reasons of expediency, and substituting the Examiner of Drivers of the City and County of Honolulu as fair representation of the respective county motor cycle licensing interests.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3372 Transportation and Government Operations on S.R. No. 29

The purpose of this measure is to establish a task force to recommend whether the Department of Transportation should adopt the basic rider course of the Motorcycle Safety Foundation as a comprehensive educational program for the entire motorcycle community.

Your Committee received testimony in support of this measure from Street Bikers United Hawaii; Street Bikers United Hawaii – Oahu Chapter; Street Bikers United Hawaii – Maui Chapter; Motorcycle Safety Foundation; Harley-Davidson Motor Company; Kawasaki Motors Corp., U.S.A.; Advocates: Government Affairs Consulting; and four individuals. Comments were received from the Department of Transportation.

Current law requires a person seeking to obtain motorcycle liability insurance coverage to also complete the same motorcycle education course approved by the Department of Transportation. The current motorcycle education course of the Department of Transportation is the Hawaii Motorcycle Safety and Education Program, which was first developed nearly twenty years ago and which is an outdated program that only one or two states still administer today. The new replacement course is the Basic Rider Course of the Motorcycle Safety Foundation, which is the only entity nationally that develops and produces certified motor cycle rider instruction courses. Military bases in Hawaii conduct the Basic Rider Course for military personnel, but the personnel who pass that course are unable to obtain a Hawaii motor cycle license because the Department of Transportation has yet to adopt the program.

Your Committee finds that the delay in adoption of the updated Basic Rider Course in Hawaii has reached critical proportions, since the current Hawaii Motorcycle Safety and Education Program passed the deadline for continued certification by the Motorcycle Safety Foundation. Your Committee notes, however, that the delay was caused by a state affiliated entity rather than by the Department of Transportation.

Your Committee has amended this measure by:

- (1) Adding that the task force consider whether current holders of motor cycle drivers licenses be re-tested or re-licensed under the new Basic Rider Course;
- (2) Adding concerns about state liability;

- (3) Adding each branch of the United States military, Motorcycle Dealers Association, Honolulu Police Department, and a rider coach trainer to membership on the task force; and
- (4) Deleting representation of the county directors of finance, for reasons of expediency, and substituting the Examiner of Drivers of the City and County of Honolulu as fair representation of the respective county motor cycle licensing interests.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3373 Transportation and Government Operations on S.C.R. No. 151

The purpose of this measure is to request the University of Hawaii to sponsor a series of public policy dialogs on open government.

Your Committee received testimony in support of this measure from the Office of Information Practices, College of Social Sciences Public Policy Center at the University of Hawaii, and The League of Women Voters of Hawaii.

Hawaii's open meetings law under chapter 92, part I, Hawaii Revised Statutes, more commonly known as the Sunshine Law, governs the manner in which state and county boards must conduct their business. The intent of the Sunshine Law statute is to open up the government process as much as possible for public scrutiny and participation. Several board members have complained about some of the Sunshine Law requirements being too stringent, and have suggested that certain types of board business be exempt from the Sunshine Law provisions.

Your Committee finds that a subject of this magnitude of public interest - possibly revising the Sunshine Law - should be open to participation by as many pertinent government entities, community groups, and public interest advocates as possible. Your Committee believes that each session of the public policy dialogues should be duly noticed and follow procedures under the Sunshine Law, in order to set an example of open government in action.

Your Committee has amended this measure by requesting the Public Policy Center of the College of Social Sciences, as the proper entity within the University of Hawaii, to sponsor the dialogs.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3374 Transportation and Government Operations on S.R. No. 107

The purpose of this measure is to request the University of Hawaii to sponsor a series of public policy dialogs on open government.

Your Committee received testimony in support of this measure from the Office of Information Practices, College of Social Sciences Public Policy Center at the University of Hawaii, and The League of Women Voters of Hawaii.

Hawaii's open meetings law under chapter 92, part I, Hawaii Revised Statutes, more commonly known as the Sunshine Law, governs the manner in which state and county boards must conduct their business. The intent of the Sunshine Law statute is to open up the government process as much as possible for public scrutiny and participation. Several board members have complained about some of the Sunshine Law requirements being too stringent, and have suggested that certain types of board business be exempt from the Sunshine Law provisions.

Your Committee finds that a subject of this magnitude of public interest - possibly revising the Sunshine Law - should be open to participation by as many pertinent government entities, community groups, and public interest advocates as possible. Your Committee believes that each session of the public policy dialogues should be duly noticed and follow procedures under the Sunshine Law, in order to set an example of open government in action.

Your Committee has amended this measure by requesting the Public Policy Center of the College of Social Sciences, as the proper entity within the University of Hawaii, to sponsor the dialogs.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 107, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 107, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3375 (Majority) Judiciary and Hawaiian Affairs on S.C.R. No. 90

The purpose of this measure is to require the Legislative Reference Bureau to study the crime rates in jurisdictions in the United State that allow for the open carry of firearms.

Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that despite the Legislative Reference Bureau's testimony that its findings on the issue of open carry jurisdictions and crime rates will be limited, the information gathered will still be of use to the Legislature and that therefore the Legislative Reference Bureau should still be required to conduct the study and provide a report of their findings to the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Chun Oakland). Excused, 1 (Ihara).

SCRep. 3376 (Majority) Intergovernmental Affairs on S.C.R. No. 228

The purpose of this measure is to urge the United States Congress to approve legislation that would require the United States Postal Service to provide mail recipients the option of being included on a list of those not wishing to receive any unsolicited commercial mail.

The Department of Commerce and Consumer Affairs' Office of Consumer Protection submitted comments. The Legislative Information Services of Hawaii submitted testimony in opposition.

According to the Office of Consumer Protection, the Direct Marketing Association's Mail Preference Service offers consumers the ability to register to prevent the receipt of unsolicited mail from the Direct Marketing Association's members. However, this does not address the issue of unsolicited mail from nonmembers. Your Committee finds that additional measures are needed to prevent mail scams and unsolicited mailings.

Your Committee has amended this measure by:

- (1) Requesting the United States Congress to direct the Federal Trade Commission and the United States Postal Service to examine the feasibility of enacting appropriate federal legislation, instead of requiring federal legislation;
- (2) Clarifying that this list would be a national list;
- (3) Requesting that Hawaii's Congressional delegation help lead efforts to direct this endeavor; and
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 228, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 228, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (English, Kim).

SCRep. 3377 Intergovernmental Affairs on S.C.R. No. 186

The purpose of this measure is to request the counties to require all new residential and commercial developments be equipped with water conservation devices.

One individual submitted testimony in support of this measure.

Your Committee finds that it is important to take measures to conserve Hawaii's water resources. One way to accomplish this is for the counties to encourage the use of water conservation devices, such as low-flow plumbing and toilets, in new residential and commercial developments.

Your Committee has amended this measure by:

- (1) Requesting that the counties encourage, instead of require, water conservation devices in all new residential and commercial developments; and
- (2) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3378 Intergovernmental Affairs on S.C.R. No. 185

The purpose of this measure is to urge the counties to require pervious pavement to be used to pave sidewalks, driveways, and roads for new residential, commercial, and public construction projects.

One individual submitted testimony in support of this measure. One individual submitted comments.

Your Committee finds that it is important to take measures to conserve Hawaii's water resources. One way to accomplish this is for the counties to require, in their permitting process, that pervious pavement be used to pave sidewalks, driveways, and roads for new residential, commercial, and public construction projects. Pervious pavement eliminates the storm water runoff that carries surface pollutants into waterways. The absorbing, flow-through quality of pervious pavement naturally filters storm water back into aquifers without the use of costly storm water drainage systems or retention areas.

Your Committee has amended this measure by:

- (1) Requesting the counties to consider requiring, instead of to require, pervious pavement be used to pave sidewalks, driveways, and roads for new residential, commercial, and public construction projects; and
- (2) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 185, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Agriculture, in the form attached hereto as S.C.R. No. 185, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3379 Intergovernmental Affairs on S.C.R. No. 191

The purpose of this measure is to request the Governor, the Mayors and county councils, with the assistance of the Tax Review Commission, the City and County of Honolulu's Tax Policy Committee, and comparable committees of Kauai, Maui, and Hawaii counties to review the State's and counties' tax and revenue systems.

Democrats for Property Tax Fairness Task Force, Hawaiian National Communications Corporation, and two individuals submitted testimony in support of this measure.

All of the testifiers discussed the apparent incongruity between the State and county tax structures and implicated it as a cause of inequity. Your Committee finds that better cooperation and coordination between the State and the counties could make tax collection less costly, more efficient, and more equitable. A holistic review of Hawaii's entire tax structure, including both the state and county tax structures, and its collective financial impact on taxpayers would be useful when considering future tax policies.

Your Committee has amended this measure by:

- (1) Requesting that a Tax Policy Task Force be created to:
 - (A) Conduct a holistic review of Hawaii's state and county tax structures;
 - (B) Determine how the state and county tax structures, particularly the real property tax, affect various sectors of the economy, such as low-income and middle-income taxpayers;
 - (C) Identify aspects of the state and county tax structures that present particular obstacles to equity;
 - (D) Analyze who bears the ultimate tax burden with respect to any particular tax, including the real property tax; and
 - (E) Recommend, with public input from interested stakeholders, how the state and county tax structures can be improved to achieve an equitable system for the State, the counties, and the taxpayers;
- (2) Deleting inconsistent or unnecessary whereas clauses and any reference to the federal tax system;
- (3) Requesting that the Governor and the Mayors each select a member of the task force and that the member selected by the Governor convene the first meeting;
- (4) Requesting that the Director of Taxation and the directors of the finance departments of the counties cooperate with the task force; and
- (5) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191, 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. 191, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3380 Intergovernmental Affairs on S.R. No. 126

The purpose of this measure is to request the Governor, the Mayors and county councils, with the assistance of the Tax Review Commission, the City and County of Honolulu's Tax Policy Committee, and comparable committees of Kauai, Maui, and Hawaii counties to review the State's and counties' tax and revenue systems.

Democrats for Property Tax Fairness Task Force, Hawaiian National Communications Corporation, and two individuals submitted testimony in support of this measure.

All of the testifiers discussed the apparent incongruity between the State and county tax structures and implicated it as a cause of inequity. Your Committee finds that better cooperation and coordination between the State and the counties could make tax collection less costly, more efficient, and more equitable. A holistic review of Hawaii's entire tax structure, including both the state and county tax structures, and its collective financial impact on taxpayers would be useful when considering future tax policies.

Your Committee has amended this measure by:

- (1) Requesting that a Tax Policy Task Force be created to:
 - (A) Conduct a holistic review of Hawaii's state and county tax structures;
 - (B) Determine how the state and county tax structures, particularly the real property tax, affect various sectors of the economy, such as low-income and middle-income taxpayers;
 - (C) Identify aspects of the state and county tax structures that present particular obstacles to equity;
 - (D) Analyze who bears the ultimate tax burden with respect to any particular tax, including the real property tax; and
 - (E) Recommend, with public input from interested stakeholders, how the state and county tax structures can be improved to achieve an equitable system for the State, the counties, and the taxpayers;
- (2) Deleting inconsistent or unnecessary whereas clauses and any reference to the federal tax system;
- (3) Requesting that the Governor and the Mayors each select a member of the task force and that the member selected by the Governor convene the first meeting;
- (4) Requesting that the Director of Taxation and the directors of the finance departments of the counties cooperate with the task force; and
- (5) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 126, 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. 126, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3381 Judiciary and Hawaiian Affairs on S.C.R. No. 128

The purpose of this measure is to request the Department of Hawaiian Home Lands enter into a lease/purchase agreement for the construction of a new office facility on Hawaiian home lands in East Kapolei to be funded by the issuance of certificates of participation.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands (DHHL).

Your Committee finds that DHHL currently leases commercial office space in downtown Honolulu and that this lease will expire in early 2008. The move to Hawaiian home lands in East Kapolei will allow DHHL to better serve the large beneficiary population in the Nanakuli, Lualualei, Waianae, and Kapolei areas and will allow DHHL to have a home of its own.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128, 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. 128, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3382 Judiciary and Hawaiian Affairs on S.R. No. 81

The purpose of this measure is to request the Department of Budget and Finance to convene a Hawaiian language task force.

Your Committee received testimony in support of this measure from two individuals. The Department of Accounting and General Services submitted comments on this measure.

Your Committee finds that the Hawaii State Constitution provides for the preservation and promotion of native Hawaiian culture, history, and language. The Hawaii State Constitution also recognizes Hawaiian as one of the official state languages. The Legislature has made an effort to preserve and promote native Hawaiian language by incorporating the language into official state writings, emblems, and signs. Therefore, the establishment of a Hawaiian language task force is necessary to ensure the proper use of the Hawaiian language on these official state writings, emblems, and signs.

Your Committee has amended this measure to:

- (1) Add two members to the task force, one to represent information technology issues and to be selected by the Department of Accounting and General Services, and one from the Hawaii Board on Geographic Names with the Office of Planning under the Department of Business, Economic Development and Tourism, as the authority for Hawaiian place names; and
- (2) Include a feasibility study to examine the scope and costs of implementing the plan developed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3383 Judiciary and Hawaiian Affairs on S.C.R. No. 133

The purpose of this measure is to request the Department of Budget and Finance to convene a Hawaiian language task force.

Your Committee received testimony in support of this measure from two individuals. The Department of Accounting and General Services submitted comments on this measure.

Your Committee finds that the Hawaii State Constitution provides for the preservation and promotion of native Hawaiian culture, history, and language. The Hawaii State Constitution also recognizes Hawaiian as one of the official state languages. The Legislature has made an effort to preserve and promote native Hawaiian language by incorporating the language into official state writings, emblems, and signs. Therefore, the establishment of a Hawaiian language task force is necessary to ensure the proper use of the Hawaiian language on these official state writings, emblems, and signs.

Your Committee has amended this measure to:

- (1) Add two members to the task force, one to represent information technology issues and to be selected by the Department of Accounting and General Services, and one from the Hawaii Board on Geographic Names with the Office of Planning under the Department of Business, Economic Development and Tourism, as the authority for Hawaiian place names; and
- (2) Include a feasibility study to examine the scope and costs of implementing the plan developed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133, 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. 133, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3384 Business and Economic Development on S.C.R. No. 65

The purpose of this measure is to support the concept of a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Community College, and Global Aeronautics, LLC.

Hawaii's local air carriers provide more than twelve thousand direct and indirect jobs for Hawaii residents. Local air carriers must conduct a substantial portion of their flight training on the mainland because Hawaii does not have an advanced simulator training facility to serve the local airlines. A recent increase in training demands from other airlines and from ab initio airline cadets makes establishing an advanced simulator training center in Hawaii an economically feasible option.

Your Committee finds that legislative support is needed for a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii. Simulator training has economic advantages for the State, and will prepare young pilots for employment with the airlines; thus, creating more employment opportunities and the ability to bring more visitors to the State. Your Committee further finds that continued legislative support is needed if financial investments and other resources are obtained from private partners.

The Department of Transportation raised concerns, and your Committee recognizes, that providing State land free of charge for training facilities and dormitories may be in violation of the Federal Aviation Administration Policy and Procedures Concerning the Use of Airport Revenue, as printed in the Federal Register, Volume 63, Number 30, February 16, 1999. The Department of Transportation, however, is willing to negotiate a land lease or rental agreement with Honolulu Community College and Global Aeronautics for the development of the training center. Therefore, your Committee has amended this measure by adding a provision to clarify that the State will provide land for the training facility, provided that the State will not violate the terms of the Federal Aviation Administration Policy and Procedures.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 65, 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. 65, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3385 Business and Economic Development on S.R. No. 42

The purpose of this measure is to support the concept of a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Community College, and Global Aeronautics, LLC.

Hawaii's local air carriers provide more than twelve thousand direct and indirect jobs for Hawaii residents. Local air carriers must conduct a substantial portion of their flight training on the mainland because Hawaii does not have an advanced simulator training facility to serve the local airlines. A recent increase in training demands from other airlines and from ab initio airline cadets makes establishing an advanced simulator training center in Hawaii an economically feasible option.

Your Committee finds that legislative support is needed for a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii. Simulator training has economic advantages for the State, and will prepare young pilots for employment with the airlines; thus, creating more employment opportunities and the ability to bring more visitors to the State. Your Committee further finds that continued legislative support is needed if financial investments and other resources are obtained from private partners.

The Department of Transportation raised concerns, and your Committee recognizes, that providing State land free of charge for training facilities and dormitories may be in violation of the Federal Aviation Administration Policy and Procedures Concerning the Use of Airport Revenue, as printed in the Federal Register, Volume 63, Number 30, February 16, 1999. The Department of Transportation, however, is willing to negotiate a land lease or rental agreement with Honolulu Community College and Global Aeronautics for the development of the training center. Therefore, your Committee has amended this measure by adding a provision to clarify that the State will provide land for the training facility, provided that the State will not violate the terms of the Federal Aviation Administration Policy and Procedures.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 42, 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. 42, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3386 Business and Economic Development on S.C.R. No. 171

The purpose of this measure is to request that the Director of Business, Economic Development, and Tourism and the Chief Executive Officer of the Natural Energy Laboratory of Hawaii Authority (NELHA) continue their efforts in establishing NELHA's 870-acre science and ocean technology park in Kailua-Kona as a Foreign-Trade Zone.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Natural Energy Laboratory of Hawaii Authority.

There are currently seven active Foreign-Trade Zone (FTZ) sites established in accordance to federal law throughout the State. A FTZ is an attractive and effective incentive for economic development and the creation of employment opportunities. In 2005, 278 companies in Hawaii used the FTZ program and handled 88 types of merchandise from 33 countries. Hawaii's FTZ sites provide direct and indirect employment for approximately 2,400 residents. Currently, NELHA's tenants have attracted approximately \$75,000,000 in investments over the past several years and have successfully increased the volume of state exports. Foreign and domestic exports from NELHA-based companies are expected to grow dramatically in the near future due to the growth of deep seawater bottling companies and aquaculture firms at NELHA.

Your Committee finds that designating NELHA's site in Kailua-Kona as a FTZ will greatly expand the benefits of zone utilization to NELHA-based firms and will further the growth and diversification of Hawaii's economy. Designating NELHA's Kailua-Kona site as a FTZ will extend FTZ benefits beyond Oahu and allow NELHA to play a bigger role in future industrial growth and development of the Island of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, as amended herein, and recommends that it be referred to the Committee on Energy, Environment, and International Affairs, in the form attached hereto as S.C.R. No. 171, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3387 Business and Economic Development on S.R. No. 115

The purpose of this measure is to request that the Director of Business, Economic Development, and Tourism and the Chief Executive Officer of the Natural Energy Laboratory of Hawaii Authority (NELHA) continue their efforts in establishing NELHA's 870-acre science and ocean technology park in Kailua-Kona as a Foreign-Trade Zone.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Natural Energy Laboratory of Hawaii Authority.

There are currently seven active Foreign-Trade Zone (FTZ) sites established in accordance to federal law throughout the State. A FTZ is an attractive and effective incentive for economic development and the creation of employment opportunities. In 2005, 278 companies in Hawaii used the FTZ program and handled 88 types of merchandise from 33 countries. Hawaii's FTZ sites provide direct and indirect employment for approximately 2,4000 residents. Currently, NELHA's tenants have attracted approximately \$75,000,000 in investments over the past several years and have successfully increased the volume of state exports. Foreign and domestic exports from NELHA-based companies are expected to grow dramatically in the near future due to the growth of deep seawater bottling companies and aquaculture firms at NELHA.

Your Committee finds that designating NELHA's site in Kailua-Kona as a FTZ will greatly expand the benefits of zone utilization to NELHA-based firms and will further the growth and diversification of Hawaii's economy. Designating NELHA's Kailua-Kona site as a FTZ will extend FTZ benefits beyond Oahu and allow NELHA to play a bigger role in future industrial growth and development of the Island of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Energy, Environment, and International Affairs, in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3388 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 283 SCOTT SHIGERU MORISHIGE, for a term to expire 6-30-2010

Your Committee received testimony in support of SCOTT S. MORISHIGE from the Hawaii Commission for National and Community Service, the University of Hawaii, and a Member of the House of Representatives. The nominee is presently employed as a Legislative Office Manager in the House of Representatives. Previously he was employed as Center for Equal Justice Manager and as an AmeriCorps Legal Advocate with the Legal Aid Society of Hawaii. He received a Bachelor of Arts degree from Oregon State University and is presently a candidate for a Masters in Social Work degree from the University of Hawaii at Manoa. The nominee is currently the youth representative on the Hawai'i Commission For National And Community Service, and is active on the Board of Directors of P.A.R.E.N.T.S., Inc. [Providing Awareness Referrals Education Nurturing Therapy Support], a private nonprofit community-based organization that offers courses in parenting and coping skills to strengthen families.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3389 Higher Education on Gov. Msg. Nos. 285 and 286

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 285 CATHERINE A. ADAMS, RN, for a term to expire 6-30-2010.; and

G.M. No. 286 SALLY T. ISHIKAWA, for a term to expire 6-30-2010

Your Committee received testimony in support of CATHERINE A. ADAMS, R.N., from the University of Hawaii Center for Nursing and Hawaii Pacific Health. The nominee was last employed as System Director for Clinical Education with Hawaii Pacific Health. Previously she was employed in a nursing administrative capacity at Wilcox Memorial Hospital on Kauai, and at Straub Clinic and Hospital in Honolulu. The nominee received a Bachelor of Science in Nursing degree from Arizona State University and a Masters of Science in Nursing degree from the University of Hawaii at Manoa. She has been active in the Hawaii Chapter of the National Association of Nurse Executives, and is currently a member of the Center for Nursing Advisory Board.

Your Committee received testimony in support of SALLY T. ISHIKAWA from the University of Hawaii Center for Nursing, Hawaii Health Systems Corporation (Oahu Region), and the nominee. The nominee is employed as Oahu Regional Director of Nursing for Leahi Hospital, under the Hawaii Health Systems Corporation. She has held a number of previous positions in nursing administration, with emphasis on home care services. The nominee received a Bachelor of Science in Nursing degree and Masters of Public Health degree from the University of Hawaii at Manoa. She has been active in the Hawaii Association of Nurse Executives, and is currently Chair of the Personnel Committee of the Center for Nursing Advisory Board.

Your Committee finds that both nominees' backgrounds, education, and experience will be assets in bringing business and community perspectives to the Center for Nursing Advisory Board.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3390 Ways and Means on Gov. Msg. No. 292

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 292 CAROL ANN BURDICK, for a term to expire 6-30-2010

Upon review of the statement submitted by the nominee, your Committee finds that Carol Ann Burdick will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominee has been appointed based upon her credentials, integrity, and a desire to make Hawaii better through her participation on the Board of Taxation Review to which she has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Sakamoto).

SCRep. 3391 Judiciary and Hawaiian Affairs on H.B. No. 1833

The purpose of this measure is to authorize counties with a population of less than 500,000 to issue fireworks permits through authorized vendors.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, the County of Hawaii Fire Department, Legislative Information Services of Hawaii, Pacific Fireworks Kona, Pacific Fireworks Waimea, Pahoia Cash and Carry, Pinky's, Sure Save Supermarket, Ltd., T.H.Y. & Associates, Inc., T. Kaneshiro Store, Inc., and the Hawaii Food Industry Association.

Your Committee finds that this measure is intended to facilitate the purchase of fireworks by making it more convenient to obtain a permit and purchase fireworks at the same location. This measure also relieves the administrative burden placed on the counties and facilitates the fire departments in accounting for retailer fireworks inventories and sales.

The State Fire Council stated that it shares the Committee's concern that allowing vendors to sell permits and fireworks may lead to abuses and noted that it would be accountable for the implementation of the measure.

Your Committee has amended this measure in accordance with the testimony of the Honolulu Fire Department and the State Fire Council by removing subsection (b) of the measure so that the provisions of this measure will apply to all counties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, 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. 1833, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3392 Judiciary and Hawaiian Affairs on H.B. No. 1706

The purpose of this measure is to provide for environmental covenants for contaminated property to ensure long-term compliance with requirements needed to protect the public and environment when complete removal of contaminants is not feasible, practical, or necessary.

Your Committee received testimony in support of this measure from the Department of Health, the Commission to Promote Uniform Legislation, and the Land Use Research Foundation. The Department of the Army's Western Regional Environmental Office and Hawaiian Electric Company and its subsidiaries submitted comments on this measure.

Your Committee finds that this measure establishes a process for creating and tracking environmental covenants and provides enforcement authority to assure that owners of contaminated property observe the required management controls placed on the property by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 3393 Judiciary and Hawaiian Affairs on H.B. No. 1871

The purpose of this measure is to allow consumers who are victims of identity theft to place a security freeze on their credit reports which will prohibit a consumer reporting agency from releasing any information to unauthorized parties without the consumer's express authorization and which will provide consumers with more control over who has access to their credit report.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Kuli'ou'ou/Kalani Iki Neighborhood Board #2, AARP Hawaii, Retail Merchants of Hawaii, the Consumer Data Industry Association, and the Hawaii Financial Services Association.

Your Committee finds that a security freeze is considered one of the few ways to virtually guarantee that a thief cannot open an account in an innocent party's name. With a freeze, if an identity thief applies for credit in a consumer's name, the creditor will be unable to check the consumer's history and the application will be rejected, thus keeping the innocent consumer's credit safe. This measure does include mechanisms to lift a freeze in cases where a consumer is opening a legitimate line of credit.

Your Committee has amended this measure to:

- (1) Change the chapter name to "Consumer Credit Reporting Agencies" in order to ensure that the measure's title is consistent with its contents;
- (2) Change the definition section to reflect that the terms "consumer credit reporting agency" and "consumer reporting agency" are interchangeable;
- (3) Reinstate the references to specific "party, or parties" in addition to "period of time" in reference to the release of a consumer's credit report at the request of the consumer, which the Department of Commerce and Consumer Affairs explained would provide additional safety for the consumer and is consistent with laws in numerous other states; and
- (4) Insert clarifying language to minimize consumer frustration when they are not able to easily identify where the freeze request should be sent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1871, 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. 1871, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 3394 Judiciary and Hawaiian Affairs on H.B. No. 1977

The purpose of this measure is to establish a procedure for the transfer of structured settlement payment rights.

Your Committee received testimony in support of this measure from the National Association of Settlement Purchasers, the American Council of Life Insurers, and one individual.

Your Committee finds that forty-three states currently have structured settlement protection statutes similar to this measure. This measure is intended to protect settlement recipients and other parties to structured settlements.

Your Committee has amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3395 Judiciary and Hawaiian Affairs on H.B. No. 2199

The purpose of this measure is to prohibit state officials from binding the State to government procurement rules in an international trade agreement without legislative action.

Your Committee received testimony in support of this measure from the Hawaii State AFL-CIO; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and the ILWU Local 142.

Your Committee finds that a number of today's international free trade agreements contain policy obligations and restrictions that would take precedence over state and local government provisions relating to state purchasing laws and preferences. These trade agreements may undermine state and local laws in some cases, such as laws relating to the minimum amounts of recycled materials that must be used in certain instances, laws discouraging off-shoring of jobs, and laws encouraging the purchase of locally-produced goods and services. Your Committee finds that giving up such local restrictions and requirements is not to be done lightly. This measure will prohibit the binding of the State to government procurement rules contained in an international trade agreement without legislative knowledge and approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2199, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3396 Judiciary and Hawaiian Affairs on H.B. No. 2287

The purpose of this measure is to allow the Child Support Enforcement Agency to suspend the license of an individual who has become delinquent in making payments after entering into an agreement once notice was sent informing the individual of the license suspension process, rather than having to reinitiate the entire license suspension process from the beginning.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the current law requires the Child Support Enforcement Agency to reinitiate the license suspension process from the beginning when an individual becomes delinquent after entering into an agreement to make payments. This measure will streamline the license suspension process and will make the child enforcement process more efficient.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2287, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3397 Judiciary and Hawaiian Affairs on H.B. No. 2901

The purpose of this measure is to repeal the law requiring a creditor collecting money under a garnishment process to furnish duplicate receipts to the garnishee.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association and the Collections Section of the Hawaii State Bar Association.

Your Committee finds that under the current law, a creditor is required to furnish a duplicate receipt to a garnishee when a payment is received through a garnishment process. The garnishee is then required to provide one of those receipts to the debtor. These requirements are outdated and unnecessary as current banking and employment practices sufficiently document payment of funds in the garnishment process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3398 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 1928

The purpose of this measure is to require the Agribusiness Development Corporation, the Hawaii Community Development Authority, the Housing and Community Development Corporation of Hawaii, the High Technology Development Corporation, and the University of Hawaii to obtain legislative approval before disposing of state lands under their respective jurisdictions.

Your Committees received testimony in support of this measure from the Save Our Kaka'ako Coalition. The Agribusiness Development Corporation, the Hawaii Community Development Authority, and the High Technology Development Corporation submitted comments on this measure. The Housing and Community Development Corporation of Hawaii and the University of Hawaii submitted testimony in opposition to this measure.

Your Committees find that this measure needs the appropriate three readings in the House of Representatives. The Hawaii Supreme Court's decision in *Taomae v. Lingle*, 108 Hawaii 245 (2005), invalidated a constitutional amendment because the title of the bill was insufficient and because the bill failed to receive three readings in each house of the legislature. Although the language of the court's decision has been interpreted to be limited in its application to bills proposing a constitutional amendment, Article III, Section 15 of the Hawaii State Constitution makes it clear that the three reading requirement applies to all bills, providing that "[n]o bill shall become law unless it shall pass three readings in each house on separate days." Therefore, this bill should not pass out of the legislature unless the bill receives three readings by the House of Representatives in conformance with Article III, Section 15 of the Hawaii State Constitution.

Your Committees have amended this measure to make technical, nonsubstantive changes for clarity and style and to specify that section 7 shall take effect on July 1, 2006.

Your Committees note that concerns regarding constitutionality issues and the addition of a severability clause were raised during the hearing on this measure and the Committees would ask that these issues be left open for discussion as this measure moves to conference.

As affirmed by the records of votes of the members of your Committees on Judiciary and 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. 1928, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1928, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 17. Noes, none. Excused, 3 (Ihara, Kanno, Hemmings).

SCRep. 3399 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 2440

The purpose of this measure is to enact the Uniform Athlete Agents Act to protect student-athletes and educational institutions from potential harm caused by unscrupulous athlete agents.

Your Committees received testimony in support of this measure from the Department of Education, the University of Hawaii System, and the Commission to Promote Uniform Legislation. The Department of Commerce and Consumer Affairs submitted testimony in opposition to the measure.

Your Committees find that this measure protects both student-athletes and schools by:

- (1) Requiring an athlete agent to be registered with the State;
- (2) Requiring specific warnings about the potential loss of eligibility to appear in the contract between the student-athlete and athlete agent; and
- (3) Requiring both the athlete agent and the student-athlete to notify the affected school if a contract is signed.

Your Committees note the concern raised by the Department of Commerce and Consumer Affairs regarding the exemption from the standard "sunrise" review under section 26H-6, Hawaii Revised Statutes and that exempting this measure will set a precedent to waive future proposals to regulate other professions, vocations, or occupations. However, your Committees find that the facts and circumstances surrounding the Uniform Athlete Agents Act are different from other proposals to regulate professions, vocations, and occupations such that exempting this measure from the sunrise review will not provide a basis or precedent to exempt future measures.

Your Committees further note that this measure may require a savings clause as criminal penalties are assessed in the measure.

Your Committees have amended this measure to make technical, nonsubstantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and 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. 2440, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2440, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 17. Noes, none. Excused, 3 (Ihara, Kanno, Hemmings).

SCRep. 3400 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 3018

The purpose of this measure is to clarify that employer contributions and Hawaii Employer-Union Health Benefits Trust Fund assets are irrevocable and may be used only for the benefit of the employee-beneficiaries and dependent-beneficiaries. This measure authorizes the board to use the fund and create separate funds as a reserve against or to pay further costs of providing health and other benefits to retired employees and their beneficiaries.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, the Department of Budget and Finance, the Hawaii Employer-Union Health Benefits Trust, the Hawaii Government Employees Association, and the Hawaii State Teachers Association.

Your Committees find that in 2004, the Government Accounting Standards Board issued statement numbers 43 and 45 which established uniform financial reporting standards for the reporting of retiree health and other post-employment benefits by state and local governments. This measure will clarify that the Hawaii Employer-Union Health Benefits Trust Fund is administered as a trust or equivalent arrangement as that term is used in statement numbers 43 and 45.

Your Committees further find that this measure needs the appropriate three readings in the House of Representatives. The Hawaii Supreme Court's decision in *Taomae v. Lingle*, 108 Hawaii 245 (2005), invalidated a constitutional amendment because the title of the bill was insufficient and because the bill failed to receive three readings in each house of the legislature. Although the language of the court's decision has been interpreted to be limited in its application to bills proposing a constitutional amendment, Article III, Section 15 of the Hawaii State Constitution makes it clear that the three reading requirement applies to all bills, providing that "[n]o bill shall become law unless it shall pass three readings in each house on separate days." Therefore, this bill should not pass out of the legislature unless the bill receives three readings by the House of Representatives in conformance with Article III, Section 15 of the Hawaii State Constitution.

As affirmed by the records of votes of the members of your Committees on Judiciary and 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. 3018, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 16. Noes, 1 (Hee). Excused, 3 (Ihara, Kanno, Hemmings).

SCRep. 3401 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 3244

The purpose of this measure is to prevent further occurrences of electronic commerce-based crimes in the State by supporting the efforts of the Hawaii Anti-Phishing Task Force.

Specifically, this measure:

- (1) Changes the name of the Hawaii Anti-Phishing Task Force;
- (2) Extends the life of the task force to December 31, 2007;
- (3) Expands the responsibilities of the task force;
- (4) Adds additional members to the task force; and
- (5) Appropriates funds.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Consumer Data Industry Association, the Hawaii Bankers Association, and the Hawaii Financial Services Association. The Judiciary submitted comments on this measure.

The Anti-Phishing Task Force, established in 2005, has done a commendable job of examining the problems of identity theft and electronic commerce-based crimes. However, the task force's work is not done. Your Committees find that changing the task force's name to the Identity Theft Task Force, extending its life to December 31, 2007, adding additional members, and expanding its responsibilities will allow the task force to continue to make recommendations on how the State can combat further occurrences of identity theft.

Your Committees have amended this measure in accordance with testimony from the Judiciary to change the Judiciary's representative in the task force from the chief justice or the chief justice's designee to the administrative director or the administrative director's designee. Your Committees have also amended this measure to blank out all appropriation amounts.

As affirmed by the records of votes of the members of your Committees on Judiciary and 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. 3244, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 3244, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 17. Noes, none. Excused, 3 (Ihara, Kanno, Hemmings).

SCRep. 3402 Judiciary and Hawaiian Affairs on H.B. No. 2476

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law or, if they have any substantive effect, are done simply to correct the types of errors noted in the title of this bill.

Your Committee notes that one or two items in this bill such as a missing end quotation mark, if they need to be corrected at all, can be corrected through the administrative authority of the Revisor of Statutes pursuant to chapter 23G, Hawaii Revised Statutes, when H.B. No. 2476 is duly enacted into law and printed in the Session Laws of Hawaii, 2006 and the 2006 Supplement to the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2476, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3403 Judiciary and Hawaiian Affairs on H.B. No. 237

The purpose of this measure is to establish a temporary commission on medical tort reform.

Your Committee circulated a proposed senate draft that would amend the section dealing with the abolition of joint and several liability for governmental entities, and clarify that the liability of governmental entities is limited to only the share of damages attributable to them.

Your Committee received testimony in support of the proposed draft from the Attorney General, the Department of Transportation, the Mayor of the County of Hawaii, the Office of the Corporation Counsel for the County of Hawaii, the Department of the Corporation Counsel for the City and County of Honolulu, the Mayor of Maui County, the Department of the Corporation Counsel for the County of Maui, three members of the County Council for the County of Maui, the County Attorney of the County of Kauai, and the Hawaii Medical Association. Hawaiian Electric Company and Consumer Lawyers of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that the Hawaii Supreme Court's decision in *Taomae v. Lingle*, 108 Hawaii 245 (2005), invalidated a constitutional amendment because the title of the bill was insufficient and because the bill failed to receive three readings in each house of the legislature. Although the language of the court's decision is limited to bills proposing a constitutional amendment, Article III, Section 15 of the Hawaii State Constitution makes it clear that the three reading requirement applies to all bills, providing that "[n]o bill shall become law unless it shall pass three readings in each house on separate days." Therefore, this bill should not pass out of the legislature unless the bill receives three readings by the House of Representatives in conformance with Article III, Section 15 of the Hawaii State Constitution.

Your Committee has amended the proposed measure to:

- (1) Insert language as suggested by the Consumer Lawyers of Hawaii to provide that the abolition of joint and several liability under this section shall not apply to cases in which the subject matter of the claim against the State is covered by a primary insurance policy entered into by the State or any of its agencies; and
- (2) Insert a defective date of July 1, 2050 to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 237, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 237, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3404 Ways and Means on H.B. No. 2412

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

Your Committee finds that this administrative measure is required under state law and was submitted by the Department of Taxation to conform Hawaii's income tax law to recent changes in the federal income tax law.

Specifically, this measure exempts Hawaii income tax law from the following Internal Revenue Code sections:

- (1) 1400O, relating to education tax benefits;
- (2) 1400P, relating to housing tax benefits;
- (3) 1400R, relating to employment relief; and
- (4) 1400T, relating to special rules for mortgage revenue bonds.

The measure also adopts Internal Revenue Code sections:

- (1) 1400N, relating to tax benefits for the Gulf Opportunity Zone; except that subsections 1400N(a), 1400N(b), 1400N(d), 1400N(e), 1400N(h), 1400N(l), 1400N(m), and 1400N(n) shall not be operative for the purposes of the state income tax law; and
- (2) 1400S, relating to additional tax relief provisions; except that subsection 1400S(d) shall not be operative for the purposes of the state income tax law.

Your Committee has amended the measure by:

- (1) Deleting section 2 of the measure, which does not contain any amendments and renumbering the measure's section numbers accordingly;
- (2) Limiting the applicability of section 235-2.45(h), Hawaii Revised Statutes, to contributions made between August 29 to December 31, 2005;
- (3) Changing the effective date of the bill to July 1, 2050, to foster continuing discussion on this matter; and
- (4) Making technical 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 H.B. No. 2412, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2412, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Sakamoto).

SCRep. 3405 Ways and Means on H.B. No. 2626

The purpose of this measure is to authorize the issuance of general obligation bonds and determine whether the issuance of the bonds will cause the State's debt limit to be exceeded.

Your Committee finds that the:

- (1) Measure will finance project appropriations contained in acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Issuance of the bonds authorized will not cause the State's constitutional debt limit to be exceeded.

Your Committee has amended the measure by changing its effective date from upon approval to July 1, 2050, to promote continued 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. 2626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2626, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Sakamoto).

SCRep. 3406 Ways and Means on H.B. No. 2400

The purpose of this measure is to make an emergency appropriation of \$1,600,000 to assist in the purchase and preservation of Waimea Valley on the island of Oahu.

Your Committee finds that Waimea Valley is one of the few remaining intact ahupua'a on the island of Oahu and remains a rich and sacred cultural, historic, and aesthetic resource for the entire State. This measure permits the State to contribute money toward the purchase of Waimea Valley by a consortium of nonprofit and government entities that includes the United States Army, the Office of Hawaiian Affairs, the Department of Land and Natural Resources, the City and County of Honolulu, and the National Audubon Society.

Your Committee was told by the Chairperson of the Board of Land and Natural Resources that the mediator in the condemnation lawsuit brought by the city and county of Honolulu needs this bill passed to close the transaction. The Chairperson also requested that the bill pass unamended.

As affirmed by the record of votes of the members 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. 2400, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3407 Commerce, Consumer Protection and Housing on S.C.R. No. 93

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to determine whether public, education, and government (PEG) access organizations should be exempt from the state procurement laws.

Testimony in support of this measure was submitted by Akaku Maui Community Television, Molokai Community Alliance for Media, and three concerned individuals. A petition signed by 563 individuals in support of an exemption for the PEG access organization Akaku was submitted with the testimony of two of the three concerned individuals. These individuals included public school students and residents of Molokai. Comments were submitted by the Legislative Reference Bureau.

The application of the state procurement laws to the contract process involving the DCCA and current PEG access organizations has raised many concerns within the PEG access community. Your Committee finds that requesting the DCCA and the Attorney General to take steps to smooth the transition and maintain the quality of broadcasts in all access areas should the State Procurement Office make a final determination that PEG access organizations are subject to the state procurement laws is a better method to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the title and language throughout the measure requesting a study by the Legislative Reference Bureau;
- (2) Including language in the title and the resolution that ask the DCCA and the Attorney General to provide a smooth transition for PEG access organizations should it be determined by the State Procurement Office that these organizations are subject to the state procurement laws;
- (3) Requesting that the DCCA and Attorney General are to make available for public inspection and copying the Attorney General's opinion that contracts with the PEG access organizations are subject to the state procurement laws;
- (4) Requesting that the DCCA and Attorney General extend all existing contracts with the PEG access organizations for an additional year to ensure the extent and quality of broadcasts in all access areas;
- (5) Requesting that the DCCA and Attorney General work with the PEG access organizations and other interested persons to develop documents and procedures to ensure the extent and quality of future broadcasts in all access areas; and
- (6) Requesting the DCCA to submit a report to the Legislature not later than twenty days prior to the start of the Regular Session of 2007 that describes the process followed by the DCCA in working with the PEG access organizations, identifies any problem areas in developing documents and procedures to ensure the extent and quality of future broadcasts in all access areas, and provides needed or recommended modifications to existing statutes to further the goals in this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends that it be referred to the Committee on Transportation and Government Operations, in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3408 (Joint) Higher Education and Judiciary and Hawaiian Affairs on S.C.R. No. 199

The purpose of this measure is to request the College of Hawaiian Language at the University of Hawaii at Hilo to work with appropriate government offices to develop a plan to promote the Hawaiian language in all state and county government offices.

Testimony in support of the measure was submitted by the University of Hawaii at Hilo, 'Aha Pūnana Leo, Inc., and an individual.

Your Committees find that developing a plan for use of the Hawaiian language in government offices is appropriate, given the special status of the Hawaiian language as established in the state constitution. The collection and dissemination of the appropriate technology for providing updated letterheads in Hawaiian and English for official state and county stationery will be a logical next step in the Lexicon Development Program of the College of Hawaiian Language.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199 and recommend that it be referred to the Committee on Transportation and Government Operations.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, none.

SCRep. 3409 Higher Education on S.C.R. No. 200

The purpose of this measure is to request the University of Hawaii to provide funding to support five faculty staff positions at the Center on Aging, Research, and Education.

Testimony in support of the measure was submitted by the University of Hawaii School of Social Work and three individuals.

Your Committee finds that since budget cuts implemented in 1994, the Center on Aging, Research, and Education has attempted to carry out its mission of making gerontological knowledge and resources available with an annual budget of \$35,000, sufficient only for clerical support and minor operating expenses. Meanwhile, the urgent need for social workers in the area of gerontology is exacerbated by the growing needs of Hawaii's aging population. Without dedicated professionals and a critical mass of homegrown graduates prepared to work in the field, the University's opportunities for grant funding, service, and collaboration with other institutions will be lost.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 200 and recommends that it be referred to the Committee on Human Services.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3410 (Joint) Judiciary and Hawaiian Affairs and Higher Education on S.R. No. 79

The purpose of this measure is to establish a Senate Special Committee to study the leasing of public lands comprising the Mauna Kea Summit, and to make findings and recommendations regarding the appropriate amount of lease rent to be charged for the use of those lands.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs. The University of Hawaii submitted comments.

Your Committees find that the Mauna Kea Summit lands are ceded lands under section 5(b) of the Admission Act, and accordingly the special committee should evaluate the question of appropriate lease rents in the context of the public land trust.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 79 and recommend that it be referred to the Committee on Transportation and Government Operations.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, none.

SCRep. 3411 Commerce, Consumer Protection and Housing on H.B. No. 3225

The purpose of this measure is to fine-tune and amend the recodified condominium law enacted in Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, which is set to become effective on July 1, 2006.

Specifically, this measure substantively amends the recodified law by:

- (1) Excluding consequential and special damages from the type of damages that can be awarded and providing that only punitive damages can be awarded if specifically provided by law;
- (2) Adding, to the list of sections of the recodified law that apply to condominiums existing before the effective date of the law, two sections that delineate unit boundaries in detail, and allocate the common profits and expenses of the condominium property;
- (3) Providing that amendment of the declaration is not required for changes to the use of common element, open or landscaped spaces, and minor additions or alterations that benefit a unit and do not substantially affect other owners;
- (4) Removing the requirement that sixty-seven percent of all owners must adopt any resolution authorizing fines that are not in the bylaws;
- (5) Providing that if a board establishes fines by resolution, it must allow an appeal to the board and give owners the right to initiate a dispute resolution process or administrative hearing;
- (6) Removing the requirement that owners must provide notice of intent to cumulatively vote before doing so;
- (7) Providing that the financing of insurance premiums by the association within the policy period is not a loan and may occur without a vote of the unit owners;

- (8) Adopting a standard of the nonprofit corporation law in Chapter 414D, Hawaii Revised Statutes (HRS), by requiring a minimum of three directors;
- (9) Changing, from seventy-five to seventy percent, the proportion of unit owners that must reside outside of a project with more than one hundred units to allow a majority to amend the bylaws to reduce the board, from a minimum of nine members to as few as five members;
- (10) Prohibiting an owner who is an employee of the association's managing agent from participating in discussions of a management contract, and from executive sessions where the management contract or property manager will be discussed;
- (11) Providing that the association may by resolution restate the declaration to correct the percentage of common interest so it totals one hundred per cent;
- (12) Providing that in the absence of protest, any owner of a unit owned by more than one person may cast the votes allocated to the unit by proxy;
- (13) Specifying that the distribution of information as requested by the Real Estate Commission (Commission) is at the cost of the association;
- (14) Allowing the board with the majority vote or consent of the unit owners to require unit owners to obtain reasonable types and levels of insurance;
- (15) Allowing the association to demand and collect unpaid common expenses from the rental agent renting a unit;
- (16) Clarifying who constitutes a "lessee" for purposes of assessing the costs of lease rent renegotiation;
- (17) Making the effectiveness of all of Chapter 514B, HRS, certain by removing language providing for contingent enactment of a portion of the chapter;
- (18) Providing that the provisions of the Hawaii Administrative Rules controlling association replacement reserves will remain in effect until the Commission adopts replacement rules under the recodified law; and
- (19) Removing the repeal of Chapter 514A, HRS, and specifically defining the scope of its applicability upon enactment of the recodified law.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners; Hawaii Independent Condominium & Cooperative Owners; and Community Associations Institute, Hawaii Chapter. Comments on this measure were submitted by the Real Estate Commission and a concerned owner in an association of apartment owners.

Your Committee finds that this measure continues to be a work in progress with the interested parties having put forth considerable effort to resolve issues and offer amendments throughout this legislative session.

Your Committee further finds that the interested parties have reached consensus approval on the amendments offered in the testimony of Community Associations Institute, Hawaii Chapter. Accordingly, this measure has been amended by:

- (1) Applying parts of the Chapter 514B, Hawaii Revised Statutes, to preexisting condominiums, while protecting developers' reserved rights and protecting against unreasonable impairment of contract rights;
- (2) Providing for the adoption of amendments to condominium governing documents for condominiums created before July 1, 2006, by the vote or written consent of a majority of owners, while protecting developers' reserved rights;
- (3) Allowing owners to make changes to common element open spaces or other landscaped spaces or make minor additions or alteration to common elements for the benefit of individual units, provided that these changes, additions, or alterations do not interfere with the use or enjoyment of these elements by a nonconsenting party as provided in section 514B-140(c), Hawaii Revised Statutes,
- (4) Deleting the proposed amendment related to the developer's public report and submission of certain documents and information after the issuance of an effective date for the developer's public report;
- (5) Deleting the proposed amendment that public reports delivered to prospective purchasers must contain all amendments approved by the Commission as of the date the public report is delivered;
- (6) Deleting the proposed amendment related to escrow of deposits, the submission of documents by a developer, and the issuance of an effective date by the commission for the developer's public report;
- (7) Deleting the proposed amendment related to notice of disbursement of purchaser deposits prior to closing;
- (8) Deleting the proposed amendment related to notice of early conveyance or leasing of units before completion of construction. According to testimony submitted by the Real Estate Commission, the concerns underlying the deletions adopted in this paragraph, and paragraphs (4) to (7), will be administratively addressed by the Commission; and

(9) 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 Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3225, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3225, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 3412 Ways and Means on H.B. No. 1448

The purpose of this measure is to establish an income tax credit for qualifying costs of automatic fire sprinkler systems installed and placed into service after June 30, 2006.

Your Committee has amended this measure by deleting its contents and replacing it with a one-time refundable tax credit to assist victims statewide who have suffered from the affects of heavy rain and flooding.

Your Committee finds that the recent heavy rain and flooding that has lasted for a record forty-one days has caused severe damage and suffering all across the State. From the mudslides in Tantalus, to the flooding in Honolulu and Windward Oahu and the devastating tragedy in Hanalei Kauai, it seems few communities were spared the affects of this freakish inclement weather.

Although the impetus for the tax credit provided in this measure was the heavy rain and flood that ravaged Manoa Valley in 2004, your Committee cannot ignore the continuing onslaught of heavy rain and flooding since that incident and, therefore, has expanded the tax credit to cover all rain and flood damages statewide since 2004.

Your Committee notes the discussion related to assisting private companies in the Mapunapuna area of Oahu that suffered flooding damages to their businesses in 2003. Although these businesses chose not to avail themselves of loan assistance at that time, your Committee is willing to entertain further discussion on this matter during the remainder of the 2006 legislative session.

As affirmed by the record of votes of the members 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. 1448, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1448, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3413 Ways and Means on H.B. No. 2399

The purpose of this measure is to extend the preferential considerations presently afforded inter-island ferry operators engaged in ferry operations in Maui County.

Presently, inter-island ferry operations between Maui and Molokai are afforded preferential consideration in Lahaina and Maalaea harbors and also enjoy preferential consideration in the issuance of a commercial operating permit and the waiver of any applicable fees. This measure will extend those preferential considerations to any inter-island ferry operation within Maui County, including Lanai, and to all Maui County small boat facilities in Maui County, not just Lahaina and Maalaea harbors.

Your Committee amended this measure by changing its effective date to July 1, 2050, to allow further discussion on the 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 H.B. No. 2399, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2399, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3414 Education and Military Affairs on H.B. No. 173

The purpose of this measure is to require at least five years of service as an active commissioned officer in the Hawaii National Guard to be considered for the position of Adjutant General.

Your Committee received testimony in support of this measure from ten individuals. Comments in opposition to this measure were received from the State Department of Defense Adjutant General and Deputy Adjutant General; the State Office of Veterans Services; the Armed Services Committee of the Chamber of Commerce of Hawaii; the Hawaii Laborers-Employers Cooperation and Education Trust and Laborers' International Union of North America, Local 368; the Oahu Veterans Council; and four individuals.

Your Committee finds that forty-four states have adopted similar measures, that this measure is an expression of the respect and confidence the State has in the professionalism of the men and women of the Hawaii National Guard, and that as the reserves and active duty promote their own to major command positions, so too should the Hawaii National Guard.

Your Committee has amended this measure by:

- (1) Clarifying that a candidate shall hold or have held a commission of at least a field grade officer;
- (2) Specifying that of the ten years of commissioned officer experience required, at least five shall have been served as an active commissioned officer in the Hawaii National Guard;
- (3) Making the effective date July 1, 2006; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 173, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 173, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3415 Ways and Means on H.B. No. 2045

The purpose of this measure is to improve the welfare of infants and their mothers.

To accomplish this purpose, the measure establishes a pilot perinatal clinic at the John A. Burns School of Medicine University Clinical Educational and Research Associates Program at the University of Hawaii to provide comprehensive prenatal, delivery, and postpartum care to women on Oahu who have a history of methamphetamine and other substance abuse, including alcohol and tobacco. The clinic will also provide pediatric care, psychiatric care for patients with dual diagnosis, and case management services. In addition to state funding of the pilot perinatal clinic, funding for perinatal and pediatric services of the clinic will be pursued through the state medicaid program.

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

- (1) Changing the appropriated amount from \$400,000 to an unspecified amount for the purpose of further discussion;
- (2) Providing an unspecified sunset date for the pilot program;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical amendments for the 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. 2045, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Hemmings, Slom).

SCRep. 3416 (Joint) Education and Military Affairs and Ways and Means on H.B. No. 2210

The purpose of this measure is to further amend an allocation made in 2003 to allow for expansion and renovation of the Pearl Ridge Elementary School cafeteria.

Your Committees received testimony in support of this measure from the Department of Education, Pearl Ridge Elementary School, and eighty-four individuals.

Your Committees find that under the language of the current law, Pearlridge Elementary has been unintentionally limited in the kind of cafeteria expansion it may undertake, which has resulted in a design that does not suit its own needs. The amendment proposed by this measure more accurately reflects the school's intent to renovate, as well as expand, the cafeteria. Your Committees further find that this measure would not involve any additional monies to be appropriated, as all funds have already been released.

Your Committees have amended this measure by making technical, non-substantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military 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. 2210, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2210, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 5 (Chun Oakland, Kanno, Kim, Hemmings, Hogue).

SCRep. 3417 (Joint) Education and Military Affairs and Transportation and Government Operations on H.B. No. 2457

The purpose of this measure is to emphasize the relevance federal military installations and investment to the objectives and policy of the state plan.

Comments on this measure were received from the Department of Business, Economic Development & Tourism Office of Planning.

Your Committees find that the presence of federal defense and security forces and agencies in the State are important state concerns and should be recognized statutorily as such.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2457, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2457, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair and President of the Senate on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Hee, Hooser, Kanno, Menor, Hogue).

SCRep. 3418 (Joint) Water, Land, and Agriculture and Health on H.B. No. 2796

The purpose of this measure is to provide honey-labeling requirements for honey products sold in Hawaii.

Testimony in support of this measure was submitted by C&H Farms and the Hawaii Farm Bureau Federation. Testimony in opposition to this measure was submitted by the Department of Health. Comments were submitted by the Department of Agriculture.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 3049, S.D.1, which:

- (1) Requires specific labeling requirements for:
 - (a) Honey products produced solely within one country;
 - (b) Honey products produced with more than one country's honey;
 - (c) Honey products blended with additional sweeteners; and
 - (d) Honey products produced with honey subjected to ultra-filtration and reconstitution processes;
- (2) Adds language that allows all honey products subject to this measure one year to comply with the labeling requirements;
- (3) Adds definitions for "honey style" and "imported honey"; and
- (4) Makes technical, nonsubstantive changes for style and clarity.

Your Committees noted testimony from the Department of Agriculture expressing some concerns regarding rules the department is required to adopt to establish and enforce a program certifying that honey sold in the State is not adulterated within the meaning of section 328-9, which addresses situations that deem foods as adulterated. This section, however, falls under the jurisdiction of the Department of Health, and the Department of Agriculture is concerned because it does not have the authority to adopt rules to enforce a Department of Health statute.

Your Committees further noted the Department of Agriculture's testimony that honey industry members have been invited to meet with both the Departments of Agriculture and the Department of Health to address some of these issues. The departments and the invitees are hoping to meet sometime in April. Thus, although there are concerns regarding the jurisdiction and authority to implement this measure, your Committees are moving this measure forward to encourage the Department of Agriculture, the Department of Health, and all of the honey stakeholders to meet in April and to work toward an agreeable solution.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2796, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2796, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (English, Hooser, Tsutsui, Whalen).

SCRep. 3419 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.B. No. 2146

The purpose of this measure is to allow agricultural lands to be subdivided and leased for specific agricultural uses or activities.

Testimony in support of this measure was submitted by the Department of Agriculture; the University of Hawaii College of Tropical Agriculture and Human Resources; Agricultural Enterprises, Inc.; C&H Farms; the Hawaii Farm Bureau Federation; Kahuku Farmers, Inc.; and Kamehameha Schools. Comments were also submitted by the Department of the Attorney General, the Office of Planning, and the Land Use Research Foundation of Hawaii.

Your Committees find that allowing agricultural lands to be subdivided and leased for specific agricultural uses or activities without having to adhere to the Uniform Land Sales Practices Act under chapter 484, Hawaii Revised Statutes (HRS), is appropriate. Accordingly, this measure:

- (1) Specifically allows agricultural lands to be subdivided and leased for agricultural uses or activities, as long as the principal use of the land is for agriculture, no permanent or temporary dwellings are constructed, and the lots are considered legal lots of record for mortgage lending purposes and are exempt from urban or rural county subdivision standards; and
- (2) Subdivided leasehold agricultural lots located within state agricultural districts with no dwellings constructed are exempt from the Uniform Land Sales Practices Act under chapter 484, HRS.

Your Committees have amended this measure by:

- (1) Exempting subdivided agricultural lots from all county subdivision standards rather than just urban and rural county subdivision standards;
- (2) Providing that all subdivided agricultural lots are to be considered legal lots of record and are exempt from county subdivision standards rather than making them a condition for subdivision;
- (3) Requiring all subdivided agricultural lots to be leased for a minimum of ten years;
- (4) Providing that all subdivided agricultural lots will automatically reconsolidate to the original lot of record upon the expiration or termination of the leases; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2146, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2146, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Hooser, Ige, Inouye)

SCRep. 3420 Commerce, Consumer Protection and Housing on H.B. No. 1935

The purpose of this measure is to require inclusion of planned community declarations and association documents into the disclosure statements required in the sale of residential real property in planned communities.

Testimony in support of this measure was submitted by Hawaii Independent Condominium & Cooperative Owners and Mililani Town Association. Testimony in opposition to this measure was submitted by the Hawaii Association of Realtors.

Your Committee finds that this measure ensures transparency and accessibility to planned community declarations and association documents.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1935, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3421 Commerce, Consumer Protection and Housing on H.B. No. 2331

The purpose of this measure is to authorize licensing authorities to allow licensees to assume inactive status when these licensees are currently not engaged in the practice of their profession or vocation.

This measure also allows licensees to reactivate their licenses at any time during the licensure period or at renewal. This reactivation is subject to an application by the licensee and denial of the application by the licensing authority.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the National Association of Social Workers. No testimony in opposition was received by your Committee.

Currently, only eleven of the forty-five licensing boards and programs statutorily provide the option for licensees to assume an inactive status. Your Committee finds that this measure would apply to all forty-five licensing boards and programs and will ensure regulatory uniformity and consistency.

Your Committee further finds that, under this measure, licensing authorities may enact pricing schemes and fees for the inactivation and reactivation of licenses that pass on lesser costs to those who choose to become inactive and later reactivate their licenses.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2331, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3422 Commerce, Consumer Protection and Housing on H.B. No. 3100

The purpose of this measure is to limit the down payment in a power of sale or nonjudicial foreclosure auction to not more than ten per cent of the highest successful bid price, with the down payment to be used, if the sale does not close, for the mortgagee's auction and escrow expenses, with the balance returned to the successful bidder.

Testimony in support of this measure was submitted by Title Guaranty of Hawaii, Inc.; the Hawaii Bankers Association; and the Hawaii Association of Realtors. Comments were submitted by the Hawaii Financial Services Association and the Community Associations Institute-Hawaii Chapter.

Your Committee finds that the parties have successfully discussed and resolved the issues regarding notice of power of sale foreclosures to owners within planned community associations. Your Committee also notes that the parties have agreed to continue discussions during the interim regarding the receipt of realistic contact information from lenders and transparency of the distribution of proceeds from power of sale foreclosures.

Accordingly, your Committee adopts the amendments proposed by Community Associations Institute-Hawaii Chapter following the parties' discussion. This measure has been amended by:

- (1) Removing the provision that the balance on the property would be due within ninety days following the sale;
- (2) Removing the provision that if the sale does not close, the down payment is to cover the auction expenses and escrow expenses incurred by the foreclosing mortgagee, with the balance of the down payment to be returned to the successful bidder;
- (3) Adding planned community associations to the list of entities that receive notice of power of sale foreclosures as provided in section 667-5.5, Hawaii Revised Statutes; and
- (4) Changing the effective date to September 1, 2006, to allow lenders a period for education before the measure is effective.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3100, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3100, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3423 Ways and Means on H.B. No. 1920

The purpose of this measure is to improve and enhance the financial literacy of all residents of the State.

To accomplish this purpose, this measure expands the focus of Financial Literacy for Youth Month from youths only to all residents of the State by changing its designation to Financial Literacy Month.

Your Committee finds that a greater understanding and familiarity with financial markets and institutions on the part of all Hawaii residents will lead to increased economic activity and growth. Your Committee also finds that financial literacy will empower all individuals to make wise financial decisions and reduce the confusion of an increasingly complex economy.

As affirmed by the record of votes of the members 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, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Espero, Kanno, Sakamoto, Hemmings).

SCRep. 3424 (Joint) Tourism, Water, Land, and Agriculture and Intergovernmental Affairs on H.B. No. 2145

The purpose of this measure is to facilitate the use of farm lands for the purposes of agricultural tourism.

This measure would:

- (1) Add agricultural tourism conducted on an existing working farm or existing farming operation as part of an agricultural district and as a permissible use in agricultural districts, for the enjoyment, education, or involvement of visitors if the use is accessory and secondary to the principal agricultural use and does not interfere with farm operations; and

- (2) Authorize a county to regulate agricultural tourism by ordinance.

Your Committees received testimony in support of this measure from the Office of Planning in the Department of Business, Economic Development, and Tourism; the Department of Agriculture; University of Hawaii System; the Hawaii Tourism Authority; the Land Use Research Foundation of Hawaii; the Maui County Farm Bureau; the Hawaii Farm Bureau Federation; Kamehameha Schools; and C & H Farms. Testimony in opposition was received from Quality Turf Grass. Comments were received from the Sierra Club Hawaii Chapter and Life of the Land.

Your Committees recognize the importance of agricultural tourism as a means for bona fide farmers to supplement their incomes from farm activity. Your Committees are cognizant of testimony from a grass and flower farmer that the small farms would not benefit from this measure, because they do not have the capital to invest in a tourism operation on the farm. Your Committees believe that agricultural tourism may not be suitable for all farmers, but this measure addresses the broader issue for farms in general.

Your Committees find that many agri-tourism operations have emerged that are more tourism than agriculture, due to current land use law that is silent on whether agricultural tourism is a permissible use on agricultural land. Agricultural tourism is a unique product in Hawaii with its diverse agriculture that appeals to many visitors.

Your Committees are concerned about the potential number of visitors to a farm on any given day due to limited infrastructure improvements, which could affect sewage and traffic congestion on farms.

Your Committees are further concerned about the potential for a lack of enforcement by the counties of ordinances regulating agricultural tourism. These ordinances should include provisions for enforcement, penalties, and administrative oversight.

This measure is intended to clarify the parameters of agricultural tourism, while leaving the matter of regulation to the counties which are better equipped to specify the regulations by ordinance. Each county may choose its own extent of permissible operations.

Your Committees have amended this measure by deleting its contents and inserting provisions of S.B. No. 2973, SD1, a similar measure which would:

- (1) Require an environmental assessment;
- (2) Require counties to adopt ordinances to regulate agricultural tourism;
- (3) Prohibit overnight accommodations;
- (4) Apply only to counties that adopt ordinances regulating agricultural tourism; and
- (5) Become effective upon approval.

As affirmed by the records of votes of the members of your Committees on Tourism and Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2145, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2145, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 5 (Baker, Hooser, Inouye, Tsutsui, Hemmings).

SCRep. 3425 Ways and Means on H.B. No. 970

The purpose of this measure is to provide emergency appropriations for the damage and destruction caused in the State by heavy rains and flooding in February and March 2006.

Your Committee finds that immediate and comprehensive aid must be provided to the victims of the heavy rains and flooding in recent months. This measure provides:

- (1) Direct emergency aid to those in need; and
- (2) Funding to ensure the integrity of infrastructure affected by the heavy rains and flooding.

Although your Committee is retaining the appropriation for the Ka Loko Reservoir, your Committee has concerns regarding whether the State should be responsible for any inspections and repairs of dams on private property. Your Committee wants discussions to continue on this issue. Your Committee notes that the Department of Defense requested that language requiring the Department of Land and Natural Resources to repair the breach at Ka Loko Reservoir be changed to permissive in nature.

Your Committee also notes that it is still exploring using the state highway funds for roadway reconstruction and restoration of Roundtop Drive and whether these funds can be diverted to the City and County of Honolulu for this purpose. Your Committee further notes that the Governor may need to issue another emergency declaration to provide an adjustment to the Governor's original declaration for this emergency appropriation measure, due to the additional appropriation provisions added to this measure.

Your Committee has amended the measure by:

- (1) Incorporating the Department of Defense's request regarding permissible language;
- (2) Adding numerous provisions and appropriations at the request of various state and county departments and agencies;
- (3) Changing the appropriations to unspecified amounts to facilitate further discussion on this matter; and
- (4) Making technical 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 H.B. No. 970, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 970, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kanno, Hemmings).

SCRep. 3426 Higher Education on H.B. No. 3194

The purpose of this measure is to reduce the term of appointment for members of the Commission for National and Community Service from four years to three years.

Your Committee finds that the National and Community Service Act allows three-year terms on the State Commission for National and Community Service, whereas current state law establishes four-year terms. The Commission must be in compliance with federal law to be eligible for grants or allotments, or to receive a distribution of approved national service positions. Your Committee finds that this measure will make state law consistent with federal law.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3194, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 3427 Commerce, Consumer Protection and Housing on S.C.R. No. 31

The purpose of this measure is to request the Auditor to conduct a sunrise study of a proposed regulatory measure requiring professional licensure of genetic counselors.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs; Kaiser Permanente; Hawaii Community Genetics, Kapiolani Medical Center for Women & Children; The Queen's Comprehensive Genetics Center; five genetics counselors; and one registered nurse. No testimony in opposition to this measure was received by your Committee.

Your Committee finds that the professional licensure of genetic counselors will protect the public by ensuring high standards for the education and skills of individuals providing genetic counseling services.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3428 Commerce, Consumer Protection and Housing on S.C.R. No. 120

The purpose of this measure is to request a study by the University of Hawaii on creating contributory affordable housing solutions through mandated state special assessments against real property and improvements that accrue to commercial and industrial lessors through the exercise of full-term expiratory reversion clauses in ground lease contracts entered into after December 31, 1963.

Testimony in support of the measure was submitted by two individuals. The Land Use Research Foundation of Hawaii (LURF) testified in strong opposition.

Your Committee finds that although LURF has raised a serious constitutional question relating to impairment of contracts, the study requested by this concurrent resolution may help to settle, without litigation, a controversy between certain commercial and industrial lessors and lessees. The issue is whether any profits accruing to lessors from leasehold reversionary clauses would justify a mandatory state special assessment, as proposed in the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 3429 Health on S.C.R. No. 118

The purpose of this measure is to request the Department of Health to research avenues of appropriate financing for capital improvements for federally qualified health centers, including use of revolving loan funds.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association, the Molokai Community Health Center, the Waikiki Health Center, the Kalihi-Palama Health Center, the Bay Clinic, Inc., and the Hamakua Health Center, Inc. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that federally qualified health centers play a vital role in providing affordable, quality health care. Research into revolving funds and other financing mechanisms available for capital improvements needs to be conducted to alleviate the financial constraints of federally qualified health centers.

Your Committee has amended this measure in response to the testimony submitted by the Department of Health by requesting the Department of Health to convene a task force of interested stakeholders to research appropriate financing.

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. 118, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3430 Health on S.C.R. No. 144

The purpose of this measure is to urge the development of a long-term care infrastructure plan for Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Human Services, the Hawaii Health Systems Corporation, and the Hawaii Long Term Care Association.

Your Committee finds that this measure will enable interested stakeholders to examine the challenges facing the State's aging population, review available services, analyze existing state and county laws and regulations, consider the current long-term care bed capacity and projections for future needs, and develop a comprehensive long-term care infrastructure plan to ensure public safety while supporting aging in place initiatives.

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. 144, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3431 Commerce, Consumer Protection and Housing on H.B. No. 1155

The purpose of this measure is to require the Board of Examiners in Naturopathy to adopt a formulary and qualifications for administering natural medicines by injection, and to grant qualified naturopaths the authority to administer these injections. This measure also establishes a temporary advisory committee to recommend the formulary and qualifications.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Society of Naturopathic Physicians, thirteen naturopathic physicians, six medical doctors, one nurse practitioner, two students of naturopathic medicine, and one Councilmember from the Kauai County Council. No testimony in opposition was received by your Committee.

Your Committee finds that natural medicines administered by injection are an important part of naturopathic practice and are not a service customarily performed by conventional health care providers. Naturopathic physicians, therefore, provide a valuable service to Hawaii's consumers. Your Committee further finds that therapeutic injections are within the scope of practice for naturopathic physicians in the majority of states where they are licensed, including California, Oregon, Washington, Montana, and Arizona.

Upon further consideration and based on the recommendation of the Board of Examiners in Naturopathy, your Committee has amended this measure by deleting the representative of a school of naturopathy from the temporary advisory committee because of the difficulty and cost of having this representative participate in the advisory committee meetings. Your Committee has further amended this measure by requiring the temporary advisory committee to collect pertinent information from all the schools of naturopathy accredited by, or that have received candidacy status with a regional or national accrediting body recognized by the United States Department of Education.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1155, 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. 1155, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3432 Ways and Means on H.B. No. 2925

The purpose of this measure is to appropriate funds for the Hawaii Community-Based Economic Development Technical and Financial Assistance Program (Program) to assist the planning and implementation of community-based economic development projects.

Specifically, this bill appropriates \$500,000 to the Department of Business, Economic Development, and Tourism to fund the Program for the purpose of making low-interest grants to qualifying community-based entrepreneurs.

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

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, for the purpose of further discussion; and
- (3) Making technical nonsubstantive amendments for the purpose 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. 2925, 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. 2925, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3433 Ways and Means on H.B. No. 3261

The purpose of this measure is to establish the Hawaii Ingenuity Corporation, a private, for profit, non-stock, membership corporation created by the State to:

- (1) Hold and use intellectual and other property;
- (2) Raise labor and environmental standards;
- (3) Promote innovation;
- (4) Attract inventors to Hawaii;
- (5) Assist inventors with businesses; and
- (6) Collectively bargain on behalf of inventors.

Your Committee finds that promoting innovation and supporting inventors and creators of intellectual property will contribute much to Hawaii's economy. However, a majority of inventors lack the resources to protect or develop the full potential of their intellectual property. The establishment of a single body to facilitate the development and use of intellectual property will foster continued innovation as well as benefit the entire State.

Your Committee has amended this measure by:

- (1) Changing references to the "American Ingenuity Alliance" to "managing member" where the latter term is intended because the measure makes the American Ingenuity Alliance the initial managing member;
- (2) Changing the effective date to July 1, 2050, to promote further discussion; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3261, 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. 3261, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3434 (Majority) Ways and Means on H.B. No. 2715

The purpose of this measure is to make an appropriation to each of the counties for programs aimed at recruiting and retaining police officers.

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

- (1) Making a grant-in-aid to each county for a one-time uniform allowance of up to \$200 per police officer;
- (2) Changing the effective date to July 1, 2050, to promote further discussion; and

- (3) Making technical nonsubstantive amendments for the purpose 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. 2715, 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. 2715, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3435 Ways and Means on H.B. No. 1

The purpose of this measure is to recodify the statutes relating to the University of Hawaii and higher education.

Your Committee finds that this measure was introduced during the 2005 session as the product of the higher education statutory analysis interim study group, which was established under Act 224, Session Laws of Hawaii 2004.

Your Committee further finds that this measure does not produce any substantive changes in the law but does update and clarify the relevant statutes through reorganization, consolidation, amendment, and repeal. Your Committee finds that the study group succeeded in suggesting an improved organizational framework of the statutes.

Your Committee has amended this measure by:

- (1) Incorporating the acts that were passed during the 2005 session, in particular, by including the amendments made to the current chapter on university projects, by placing the new section on the procurement institute after the current section on the law school, and by placing the new chapter on the nursing scholars program as a subpart in the part of the recodified chapter relating to administratively attached entities;
- (2) Adding cross referencing language for both the university revenue-undertakings fund and the subpart on university projects, since they are now separated from each other in the recodified chapter;
- (3) Changing the effective date of the measure from July 1, 2005 to July 1, 2006, and making corresponding changes elsewhere in part IV of the bill to related dates and events; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3436 (Majority) Ways and Means on H.B. No. 1890

The purpose of this measure is to foster international relations by strengthening Hawaii's sister-state program through establishing a process of initiating, maintaining, and dissolving sister-state and province relationships.

Your Committee finds that sister-state and province relationships provide a solid foundation for cultural and inter-cultural exchange, educational ties, understanding, and collaboration.

Your Committee has amended this measure by:

- (1) Specifying a time frame for which the Hawaii Sister-State Committee has to evaluate each established sister-state relationship; and
- (2) Changing its effective date to July 1, 2050, to promote continued 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. 1890, 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. 1890, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3437 (Majority) Ways and Means on H.B. No. 1948

The purpose of this bill is to improve and expand upon the State's recycling initiative by:

- (1) Increasing the volume limit of deposit beverage containers subject to the recycling program from sixty-four to sixty-eight fluid ounces; and

- (2) Deleting the exception that relieves dealers who operate in high density population areas and within two miles of a certified redemption center from having to operate a redemption center.

Your Committee understands that Hawaii's deposit beverage container law has diverted over half a billion bottles and cans from Hawaii's landfills. However, two liter beverage containers, while abundant, are not covered under the law. This measure remedies the situation, thus ensuring the recycling of these containers.

Your Committee has amended this measure by:

- (1) Deleting section 2 of the bill to retain the exception for dealers who operate in high density population areas and within two miles of a certified redemption center from having to operate a redemption center;
- (2) Renumbering the remaining bill sections consecutively; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, 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. 1948, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3438 Ways and Means on H.B. No. 2619

The purpose of this measure is to lessen Hawaii's dependence on petroleum and fossil fuels by extending the exemption of the sale of alcohol fuel from the general excise tax until December 31, 2009.

Your Committee is aware that the ability to use and produce renewable fuels is an integral component in achieving energy self-sufficiency for the State. Extending the exemption will provide some tax relief to Hawaii motorists, while also supporting efforts to diversify the State's energy sources.

Your Committee is also aware that starting April 2006, at least eighty-five per cent of all gasoline sold in Hawaii is required to contain ten per cent ethanol, as long as the price of ethanol is cost competitive. This exemption will increase the competitiveness of ethanol prices, which is important to Hawaii's ethanol industry as it begins to scale up.

As affirmed by the record of votes of the members 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. 2619, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3439 Ways and Means on H.B. No. 2848

The purpose of this measure is to make an appropriation to allow the Hawaii Energy Policy Forum to continue its efforts to help secure a better energy future and create a preferred energy strategy for Hawaii.

Your Committee finds that the Hawaii Energy Policy Forum has accomplished much to promote a greater community awareness of energy issues through a broad-based discussion and initial plan for Hawaii's preferred energy future. This appropriation will allow the Hawaii Energy Policy Forum to reconvene to implement the vision, concepts, and recommendations contained in its final report "Hawaii at a Crossroads: A Long Term Energy Strategy".

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate 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 H.B. No. 2848, 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. 2848, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3440 Ways and Means on H.B. No. 2966

The purpose of this measure is to effectuate the implementation plan prepared by the Housing and Community Development Corporation of Hawaii to create two separate state housing agencies as required by Act 196, Session Laws of Hawaii 2005.

Specifically, the measure:

- (1) Divides the Housing and Community Development Corporation of Hawaii into the Hawaii Housing Finance and Development Corporation, and the Hawaii Public Housing Authority;

- (2) Makes technical and conforming amendments to relevant statutory provisions; and
- (3) Appropriates funds for the implementation of the plan.

This measure is a result of the implementation plan prepared by the Corporation for the reorganization of the State's housing functions, in compliance with Act 196.

Your Committee finds that the burden of administering the public housing projects in the State has overshadowed the ability of the Housing and Community Development Corporation of Hawaii to finance and develop affordable housing. Accordingly, as required by Act 196, Session Laws of Hawaii 2005, the measure statutorily effectuates the splitting of the Housing and Community Development Corporation of Hawaii into two organizations so that the resultant entities will be able to more effectively concentrate on their respective purposes.

Your Committee has amended this measure by:

- (1) Deleting the authority of each agency's board of directors to set the salary of its respective executive director and executive assistant;
- (2) Deleting the proposed amendment that would allow the Hawaii Housing Finance and Development Corporation to hire its own attorneys;
- (3) Establishing that the teachers' housing program established under this measure is to be repealed on July 1, 2008, to coincide with the start date of the Department of Education's teachers' housing program established under Act 204, Session Laws of Hawaii 2005;
- (4) Changing the sunset date of Act 227, Session Laws of Hawaii 2002, to coincide with the implementation of this measure to avoid conflict in administering public housing eviction procedures;
- (5) Changing all the appropriation amounts to \$1;
- (6) Deleting section 33 of the measure as received by your Committee that superfluously directs the Revisor of Statutes to exercise functions that the Revisor is already authorized to do, and performs on an ongoing basis;
- (7) Changing the effective date to July 1, 2050; and
- (8) Make technical, nonsubstantive amendments for clarity, 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 H.B. No. 2966, 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. 2966, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3441 Ways and Means on H.B. No. 1466

The purpose of this measure is to appropriate funds to permit the Department of Health to implement a substance abuse prevention grant program.

Specifically, the Department of Health would be authorized to award community coalitions not more than \$150,000 each to engage in community mobilization programs and best practices, specifically in areas that lack existing substance abuse prevention resources. This bill would also extend adolescent school-based substance abuse treatment programs to middle and intermediate schools that have no existing school-based programs.

Your Committee has amended this measure by:

- (1) Changing the amounts appropriated to unspecified amounts; and
- (2) Changing the effective date to July 1, 2050,

for the purpose of stimulating 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 H.B. No. 1466, 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. 1466, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3442 Ways and Means on H.B. No. 1843

The purpose of this measure is to direct the Department of Education to establish and administer a comprehensive vocational agriculture education program in the public schools.

Additionally, the measure appropriates funds for the establishment of the program.

Your Committee finds that to maintain and expand Hawaii's agricultural industry, we must educate the younger generation. Today's agricultural workforce requires a broad spectrum of skilled and professional workers, from field workers to researchers, from managers to agronomists. Your Committee believes that this measure will contribute to workforce and economic development, as well as provide our youth with career options.

Your Committee has amended this measure by:

- (1) Clarifying that the duties and responsibilities of the vocational agriculture education program shall be administered by a director;
- (2) Changing the amount appropriated to \$1 to promote continuing discussion on the matter; and
- (3) Providing an effective date of July 1, 2050.

As affirmed by the record of votes of the members 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. 1843, 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. 1843, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3443 Ways and Means on H.B. No. 1879

The purpose of this measure is to appropriate funds so that the Office of Veterans' Services may continue to publish and distribute its quarterly newsletter.

Your Committee finds that the Office of Veterans' Services newsletter provides essential information to the veteran-related community, and should receive state financial support. The Office of Veterans' Services also reported that newsletter costs are currently budgeted for only the 2005-2006 fiscal year, and consequently, if no additional funding is appropriated, newsletter publication and distribution will cease as of June, 2006.

Your Committee has amended the measure by:

- (1) Deleting the specific amount appropriated and leaving the amount unspecified;
- (2) Changing the effective date from July 1, 2020, to July 1, 2050; and
- (3) Making technical nonsubstantive amendments for the purpose 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. 1879, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1879, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3444 (Majority) Ways and Means on H.B. No. 1891

The purpose of this measure is to provide additional funding to address the repair and maintenance backlog in our public schools.

Your Committee notes that the current backlog in repairs and maintenance for all public schools totals \$525,000,000. This measure is being considered as one means of addressing the backlog.

Your Committee has amended this measure by:

- (1) Inserting a specified amount of \$1 as the amount of general excise taxes that is to be deposited into the state educational facilities improvement special fund, for the sole purpose of allowing further discussion on this measure;
- (2) Changing the effective date and the repeal date of this measure to July 1, 2050 and June 30, 2007, respectively, for the same reason; and
- (3) Making technical nonsubstantive changes 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 H.B. No. 1891, 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. 1891, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3445 Ways and Means on H.B. No. 2713

The purpose of this measure is to provide a better learning environment for Hawaii students by authorizing the issuance of up to \$6,000,000 in special purpose revenue bonds to assist Kawaiahaohao School in financing the improvement, planning, and construction of its educational facilities.

Your Committee finds that Kawaiahaohao School, a not-for-profit, private elementary school that encourages high educational standards and academic excellence, provides quality education to students from Oahu neighborhoods and that special purpose revenue bonds do not divert funds from public schools.

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

As affirmed by the record of votes of the members 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. 2713, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2713, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3446 Ways and Means on H.B. No. 2961

The purpose of this measure is to promote the health and welfare of school children in Hawaii.

Specifically, this bill establishes a federal revenue maximization program revolving fund within the Department of Education to collect and disburse revenues for medicaid-eligible health services provided to public school children.

Upon further consideration, your Committee has amended this measure to clarify that moneys in the federal revenue maximization program revolving fund are to be expended by the Department of Education for medicaid-eligible services provided by the Department of Education to school children. To effect this purpose, the contents of section 2 of the bill have been removed and replaced with those of section 2 of S.B. No. 2861, S.D. 2, 2006.

Your Committee has also made technical amendments to:

- (1) Establish how the proceeds of the fund will be used; and
- (2) Clarify that it is the revolving fund that earns interest, not the federal revenue maximization program itself.

As affirmed by the record of votes of the members 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. 2961, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2961, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3447 Ways and Means on H.B. No. 2987

The purpose of this measure is to provide a better learning environment for Hawaii students by authorizing the issuance of up to \$15,000,000 in special purpose revenue bonds to assist Saint Louis School in financing the improvement, planning, and construction of its educational facilities.

Your Committee finds that Saint Louis School, which was founded one hundred sixty years ago, encourages high educational standards and academic excellence and provides quality services to students throughout the State, and that special purpose revenue bonds do not divert funds from public schools.

Your Committee has amended this measure by making a technical nonsubstantive amendment.

As affirmed by the record of votes of the members 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. 2987, 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. 2987, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3448 Ways and Means on H.B. No. 30

The purpose of this measure is to provide equal access to prescription drugs for all types of medicaid recipients who have human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis, or who are patients needing transplant immunosuppressives by deleting the QUEST medical plan exemption from the medicaid preauthorization exemption requirements.

The majority of medicaid recipients are in QUEST medical plans. Medicaid recipients in a fee for service plan receive medications without restriction when prescribed by a physician, while recipients in the QUEST medical plans are subject to prior authorization or step therapy procedures for the same medications.

Your Committee finds that it is important to exempt physicians from having to obtain preauthorization prior to dispensing prescription immunosuppressant medications to all medicaid recipients because treatment may require changes to these prescriptions in order to find the best medication for the patient. Your Committee believes that this measure will bring equity to medicaid recipients in their access to prescription drugs.

Upon consideration, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 30, 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. 30, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 3449 Ways and Means on H.B. No. 1821

The purpose of this measure is to more adequately compensate care home operators.

The measure accomplishes this purpose by establishing a minimum level of care payment for types I and II adult residential care homes and by clarifying that domiciliary care includes care provided in developmental disabilities domiciliary homes, adult foster homes for developmentally disabled persons, and developmental disabilities apartment complexes.

Specifically, this measure proposes to increase payments for types I and II adult residential care homes from \$521.90 and \$629.90 to unspecified amounts. This measure also directs the Department of Human Services to authorize a one-time payment on July 1, 2006, and thereafter as the Department determines a need, for resident clients receiving supplemental security income in adult residential care home types I and II. The measure also appropriates \$1,798,200 for continued operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

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

- (1) Changing the appropriated amount of \$1,798,200 to \$1 to promote continuing discussions on the matter; and
- (2) Changing the effective date to July 1, 2050.

Your Committee has also made technical amendments for the 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 H.B. No. 1821, 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. 1821, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 3450 Ways and Means on H.B. No. 2043

The purpose of this measure is to expand eligibility for medical assistance programs for medically needy residents who do not meet current income limitations.

Specifically, this measure directs the Department of Human Services to disregard an amount of income equal to the difference between one hundred thirty-three per cent of the assistance allowance and one hundred per cent of the federal poverty level, as adjusted annually by the federal government, for a family of the size applying for assistance. The measure also appropriates an unspecified amount for state Medicaid programs.

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

- (1) Changing the unspecified appropriated amount to \$1; and
- (2) Changing the effective date to July 1, 2050 for the purpose of stimulating 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 H.B. No. 2043, 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. 2043, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3451 Ways and Means on H.B. No. 2097

The purpose of this measure is to provide a tax credit to caregivers of qualified care recipients.

As defined in the measure, a qualified care recipient is a relative of the caregiver, sixty years of age or older, a citizen of the United States, resides with the caregiver, receives more than fifty per cent of financial support from the caregiver, and is certified by a licensed physician or advanced practice registered nurse.

Your Committee finds that as Hawaii's population ages, it becomes imperative for the State to explore ways to ensure that older adults that require assistance in daily living, live in a safe and healthy environment.

This measure recognizes the contributions of family members who care for elderly relatives that need assistance to lead a healthy and meaningful life. By providing a tax credit to caregivers, the State is not only supporting this relationship between relatives, but is also reducing the State's costs that would otherwise be expended for the care of elderly residents.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050, to foster continued discussion on this matter;
- (2) Changing all percentages relating to the tax credit to unspecified amounts; and
- (3) Making technical 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 H.B. No. 2097, 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. 2097, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3452 (Majority) Ways and Means on H.B. No. 2258

The purpose of this measure is to promote accountability and openness in government with respect to the expenditure of Temporary Assistance for Needy Families program funds, by requiring these funds to be expended by legislative appropriation.

In addition, this bill requires the Department of Human Services to detail how these funds are to be expended and to describe desired outcomes. Furthermore, the Department is required, with the assistance of the financial assistance advisory council, to involve the community in the strategic planning process for future use of Temporary Assistance for Needy Families funds and to set annual goals and outcomes for existing and new programs receiving these funds. Finally, the bill requires the Department to submit an annual report to the Legislature regarding effectiveness and level of success in reaching desired outcomes of the plan and programs from the preceding two fiscal years.

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

- (1) Changing the effective date to July 1, 2050, for the purpose of stimulating further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, 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. 2258, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 3453 (Majority) Ways and Means on H.B. No. 3116

The purpose of this measure is to ensure health care coverage for all of Hawaii's children by creating the Hawaii Children's Health Care Program.

Specifically, this measure establishes a three-year pilot program of health care coverage for children between thirty-one days and eighteen years of age who are ineligible for any other state or federal health care coverage. This includes otherwise qualified individuals earning between two hundred fifty and three hundred per cent of the federal poverty level who may choose coverage through QUEST Net and pay a prorated premium. The aim is to reduce the adverse effects of preventable and treatable illnesses on

these children's growth and development. The State, through the Department of Human Services, and a mutual benefit society will share payments for the insurance coverage premiums equally.

The measure further provides that the participating mutual benefit society is responsible for eligibility determination and enrollment and is required to report quarterly to the Department of Human Services and the Legislature. Other private organizations may partner with the State to offer coverage to uninsured children under the Hawaii children's health care program, but only if they offer plan benefits that are equal to or better than those offered by the pilot program. The pilot program terminates on June 30, 2009. Finally, this measure appropriates an unspecified amount for the Hawaii children's health care program.

Upon further consideration, your Committee has amended this measure by changing the unspecified appropriated amount to \$1 for the purpose of stimulating 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 H.B. No. 3116, 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. 3116, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Trimble).

SCRep. 3454 (Majority) Ways and Means on H.B. No. 1723

The purpose of this measure is to increase the authorized amount of tax credits in the state private investment fund to allow the Hawaii Strategic Development Corporation to increase the availability of venture capital in the State.

Specifically, the amount of tax credits authorized is increased from \$36,000,000 to \$120,000,000 and the applicability of the tax credit is expanded to include tax liability under the State's insurance code.

Your Committee finds that the state private investment fund administered by the Hawaii Strategic Development Corporation provides a significant advancement in capital formation for Hawaii's emerging technology firms and other fledgling, expansion-oriented companies. The tax credits are used to secure corporation loans to invest in venture capital funds. By increasing return-driven, venture capital investments in emerging enterprises, the state private investment fund helps to diversify the State's economic base and assists local venture capital companies by helping them build strong track records to attract additional capital.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this matter;
- (2) Changing the amount appropriated from the capital formation revolving fund from an unspecified amount to \$1;
- (3) Changing the tax credit to a "refundable" tax credit; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, 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. 1723, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Sakamoto, Hemmings).

SCRep. 3455 Ways and Means on H.B. No. 2836

The purpose of this measure is to protect privacy and the security of personal information.

Specifically, this bill requires the Department of Accounting and General Services, through its cyber security office, to develop a statewide information security protection program, including policies that prevent unauthorized access to individual information collected or maintained by executive departments.

Identity theft is one of the fastest growing crimes committed in the United States, including Hawaii. The privacy and financial security of individuals are increasingly at risk due to the widespread collection of personal information. Your Committee finds that the Department of Accounting and General Services is currently in the process of establishing a cyber security office to address information security programs, policies, and procedures for the executive departments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2060, to promote further discussion; and
- (2) Making technical nonsubstantive amendments for 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. 2836, 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. 2836, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hemmings, Trimble).

SCRep. 3456 Ways and Means on H.B. No. 3060

The purpose of this measure is to authorize the High Technology Innovation Corporation to establish operational bank accounts in out-of-state locations.

The measure also exempts the High Technology Innovation Corporation from chapters 36, 38, and 40, Hawaii Revised Statutes, relating to the management of state funds, deposits of public funds, and state audit and accounting, respectively. In addition, this measure authorizes the High Technology Development Corporation to provide grants to local businesses that receive a federal Small Business Technology Transfer Program award or contract, or applies for a Small Business Innovation Research federal grant or Small Business Technology Transfer Program federal grant.

After due consideration of this measure, your Committee has amended the measure by:

- (1) Deleting its contents except for provisions with respect to authorizing the High Technology Development Corporation to provide certain grants;
- (2) Appropriating an unspecified amount to the High Technology Development Corporation for the Hawaii Small Business Innovation Research Assistance Program, the Small Business Technology Transfer Grant Program, and the Phase 0 Competition Assistance Program; and
- (3) Changing the effective date to July 1, 2050, to facilitate further 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 H.B. No. 3060, 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. 3060, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3457 Ways and Means on H.B. No. 3235

The purpose of this measure is to appropriate funds to the State of Hawaii endowment fund to be used for the production of music by the Honolulu Symphony, provided that the funds appropriated are matched dollar-for-dollar by private funds.

Your Committee believes that the Honolulu Symphony is a proven artistic, cultural, educational, and economic asset to the State. An investment of ten million public dollars to be matched by private funds would increase the principal in the State of Hawaii endowment fund to provide a stable funding source to attract, employ, and retain the best musicians for the symphony.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated to \$1 to continue discussion on the issue;
- (2) Replacing the word "interest" with the word "income" to conform to section 40-80, Hawaii Revised Statutes, which authorizes the use of the income and capital gains from the State of Hawaii endowment fund to be used to produce music by an Oahu based symphony orchestra;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making a 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 H.B. No. 3235, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3235, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3458 (Majority) Ways and Means on H.B. No. 266

The purpose of this measure is to authorize a public employer and the exclusive representative of a collective bargaining unit to negotiate over the topics of:

- (1) The hiring, promotions, transfers, assignments, and retention of employees;

- (2) The suspension, demotion, discharge, or other disciplinary action against employees for cause; and
- (3) The laying off of employees for lack of work or other legitimate reason.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 1352, C.D. 1, from the 2005 session.

As amended, this measure clarifies that the public employer and the exclusive representative may negotiate over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions. Furthermore, this measure specifies that they must negotiate over the impact of transfers, assignments, and layoffs of employees.

Your Committee finds that the negotiations over procedures and criteria of promotions, transfers, assignments, demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employers have negotiated over these subject matters since 1970. However, provisions in collective bargaining agreements in effect on and after July 1, 2006, should not be subject to invalidation by reason of section 89-9(d), 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. 266, 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. 266, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Sakamoto, Hemmings).

SCRep. 3459 (Majority) Ways and Means on H.B. No. 1867

The purpose of this measure is to require an employer in a dispute with an employee over medical services to continue to provide those medical services until the Director of Labor and Industrial Relations decides to discontinue those services.

Furthermore, this measure requires an employer who has determined that an employee is able to resume work to continue to provide temporary total disability benefits to the employee until a decision by the Director of Labor and Industrial Relations terminates the benefits.

Your Committee finds that corrective action is warranted to check the employer's unilateral power to disrupt the flow of medical care and temporary total disability benefits to injured workers. The disruption is counterproductive and a serious impediment to cost-effective treatment and recovery.

Your Committee has amended this measure by changing its effective date to July 1, 2050 to promote continued discussion of the matter. 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1867, 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. 1867, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3460 Ways and Means on H.B. No. 2211

The purpose of this measure is to repeal the definition of "day" and "days" from the workers' compensation law.

Your Committee finds that the statutory definition defines "days" as working days, eliminating the possibility that "days" could also be interpreted, depending on the situation, as calendar days. Such an inflexible approach to the seemingly simple idea of a "day" has resulted in the delay of payments and treatments to injured 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. 2211, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3461 Ways and Means on H.B. No. 2309

The purpose of this measure is to improve the efficiency of the operations of the Hawaii Employer-Union Health Benefits Trust Fund.

Specifically, this bill requires each employee-beneficiary and the employee-beneficiary's spouse who receive reimbursement from the Fund for Medicare part B premiums after July 1, 2006, to designate a financial institution account for direct deposits of reimbursements. The bill also makes nonsubstantive statutory amendments for the purposes of clarification and consistency.

Your Committee believes that this bill will reduce costs and administrative fees incurred by the Hawaii Employer-Union Health Benefits Trust Fund, thus saving taxpayer dollars, and also make the receipt of reimbursements by employee-beneficiaries faster, safer, and more efficient.

As affirmed by the record of votes of the members 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. 2309, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3462 Ways and Means on H.B. No. 2311

The purpose of this measure is to enable the Employees' Retirement System to maintain its tax-qualified status by:

- (1) Excluding those members who received in-service refunds of pension contributions on a pre-tax basis from membership in the Employees' Retirement System hybrid plan; and
- (2) Repealing provisions of state law that allow the withdrawal of employee contributions due to hardship.

Your Committee understands that the tax-qualified status of a government retirement plan may be jeopardized:

- (1) If the plan allows members to receive a refund of contributions made under section 414(h)(2) of the Internal Revenue Code while the member is still employed by the government; or
- (2) If a member who received a refund of contributions while still employed by the government is allowed to have additional contributions made on behalf of the member under section 414(h)(2).

This measure protects the tax-qualified status of the Employees' Retirement System by amending provisions of state law that permit refunds of contributions and the making of additional contributions under the foregoing circumstances.

As affirmed by the record of votes of the members 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. 2311, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3463 (Majority) Ways and Means on H.B. No. 2558

The purpose of this measure is to authorize the Director of Labor and Industrial Relations to refer for vocational rehabilitation those employees who are unable to return to their regular jobs upon medical stabilization and who have not been offered suitable work that is comparable in earnings to their former jobs.

Your Committee finds that current law authorizes the Director to make referrals only for those employees who have suffered permanent disability as a result of work injuries but not for any other group of injured employees. Your Committee finds that there are other types of injured workers who are in a similar economic predicament as those currently covered under the law.

Your Committee has amended this measure by clarifying that the employer's offer of suitable work must be an offer of permanent suitable work. This amendment is necessary to eliminate the possibility of an employee being refused a referral for vocational rehabilitation merely because the employer offered the employee work of a temporary nature.

Your Committee has also amended this measure by changing the effective date to July 1, 2050, to promote continued discussion of the 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 H.B. No. 2558, 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. 2558, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3464 (Majority) Ways and Means on H.B. No. 2692

The purpose of this measure is to clarify that a separate violation occurs on each project where the Department of Labor and Industrial Relations finds a contractor has failed to comply with chapter 104, Hawaii Revised Statutes.

Your Committee finds that contractors who continually violate the law on multiple occasions and on multiple public work projects may be considered to have committed only one violation. This measure is necessary to prevent these contractors from circumventing the law and gaining an unfair advantage over contractors that comply with 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. 2692, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3465 Ways and Means on H.B. No. 2947

The purpose of this measure is to increase the amount of federal Reed Act funds previously appropriated out of the unemployment insurance trust fund for fiscal year 2006-2007 under Act 249, Session Laws of Hawaii 2005 (Act 249).

Furthermore, this measure repeals the requirement under Act 249 that allocations of the funds must first be made to the workforce investment boards before they can be made to the Department of Labor and Industrial Relations. This measure also repeals the requirement that the allotment system is inapplicable to the allocation of the funds.

While your Committee strongly believes that Act 249 correctly and legitimately took effect by operation of law, your Committee is aware that the legitimacy of Act 249 is still in dispute. Accordingly, your Committee is resolved to discuss the issue further in Conference.

Your Committee has amended this measure by:

- (1) Replacing the workforce investment boards with the counties as the recipients of the funds, but requires the counties to work in collaboration with those boards; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2947, 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. 2947, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3466 (Majority) Ways and Means on H.B. No. 2950

The purpose of this measure is to offer health benefit plan options for members of various collective bargaining units through a voluntary employees' beneficiary association trust.

Your Committee finds that any employee organization with multiple bargaining units may also benefit from a voluntary employees' beneficiary association trust for state and county employees that is established by that employee organization.

Your Committee has amended this measure by changing the effective date of the measure to July 1, 2050 to facilitate 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 H.B. No. 2950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2950, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Kim, Nishihara, Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3467 (Majority) Ways and Means on H.B. No. 2952

The purpose of this measure is to designate the Department of Labor and Industrial Relations as the governmental agency responsible for the enforcement of laws relating to wages paid and hours worked on public works projects.

This measure further requires the Department to collect and maintain certified copies of payrolls for any public works project that is subject to state prevailing wage laws but not developed by a governmental contracting agency.

Your Committee has amended this measure by:

- (1) Including housing projects developed pursuant to chapter 201H, Hawaii Revised Statutes, within the purview of this measure;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical nonsubstantive changes for purposes of consistency and 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. 2952, 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. 2952, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3468 Ways and Means on H.B. No. 2039

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

Your Committee finds that prompt, safe, and efficient decontamination of illegal methamphetamine manufacturing sites is necessary to enable individuals to safely reoccupy and reuse these premises.

Your Committee has amended this measure by:

- (1) Requiring the Department of Health to identify any additional legislation necessary to give it the authority to ensure that contaminated sites are decontaminated and made safe for reoccupancy and reuse; and
- (2) Making technical nonsubstantive changes for 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. 2039, 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. 2039, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Hooser, Kanno, Kokubun, Sakamoto, Trimble).

SCRep. 3469 Ways and Means on H.B. No. 2109

The purpose of this measure is to create a more effective system response to fetal alcohol spectrum disorder by establishing and appropriating funds for a permanent state fetal alcohol spectrum disorder coordinator position within the Family Services Division of the Department of Health.

Your Committee finds that there is a need to provide information, education, early diagnosis and referral, appropriate intervention, and support services focusing on the lifelong learning, behavioral, and health problems of children diagnosed with fetal alcohol spectrum disorder. A state coordinator position could provide the expertise and central coordination for these services.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive changes for the purposes of style and 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. 2109, 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. 2109, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Hooser, Kanno, Kokubun, Trimble).

SCRep. 3470 Ways and Means on H.B. No. 2187

The purpose of this measure is to appropriate funds for intra-island roto-wing emergency aeromedical services for rural Oahu.

Specifically, this measure appropriates funds for the Director of Health to contract with existing government agencies or federal military units to provide those services.

Your Committee finds that there is an imminent need to provide helicopter medical transport for rural communities on Oahu to replace the services that will soon cease to be provided by the United States Army's 68th Medical Company's Medical Assistance to Safety and Traffic helicopters.

Your Committee has amended this measure by changing the effective date to July 1, 2050, and by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2187, 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. 2187, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kokubun, Trimble).

SCRep. 3471 Ways and Means on H.B. No. 3259

The purpose of this measure is to increase access to dental health services for low-income adults and children who are eligible for QUEST, people with developmental disabilities, and the uninsured by appropriating funds for community-based dental health clinics.

Your Committee finds that inadequate dental care is a major health concern for these populations, who have difficulty accessing appropriate and timely dental care services.

Your Committee has amended this measure by inserting an unspecified appropriation amount and changing the effective date to July 1, 2050, to facilitate 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 H.B. No. 3259, 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. 3259, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 3472 Ways and Means on H.B. No. 1922

The purpose of this measure is to exempt the operator of the Hawaii Convention Center from the general excise tax for amounts reimbursed to the operator for costs and advances made pursuant to a contract with the Hawaii Tourism Authority.

Presently, a private operator is contracted by the Hawaii Tourism Authority to manage and market the Hawaii Convention Center. The operator is assessed the general excise tax, not only for managing the Center, but also for marketing and other costs that are reimbursed by the Authority. Since marketing costs are reimbursed by the Authority to the operator, these costs represent an expense to the State, not earnings by the operator. But the general excise tax on these costs are still assessed, which effectively reduces the Authority's contractual purchasing power. In other words, by paying the excise tax on reimbursed costs, the Authority gets less "bang for its buck."

This measure addresses that concern by exempting reimbursed costs from the general excise tax to allow the Hawaii Tourism Authority to contractually provide for the efficient management of the Hawaii Convention Center.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, for purposes of furthering discussion on this matter;
- (2) Providing that the measure will apply to taxable years beginning after December 31, 2005; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1922, 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. 1922, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hemmings, Trimble).

SCRep. 3473 Ways and Means on H.B. No. 2669

The purpose of this measure is to assist the Hawaii Convention Center to remain fiscally responsible.

Specifically, this bill increases the cap on the deposit of transient accommodations tax revenues into the convention center enterprise special fund from \$31,000,000 to \$36,000,000.

Your Committee believes that increasing the deposit of transient accommodations tax revenues into the convention center enterprise special fund will help to ensure that the Hawaii Convention Center remains fiscally responsible.

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

- (1) Reduce the amount of the increase in the cap on the deposit of transient accommodations tax revenues into the convention center enterprise special fund from \$36,000,000 to \$33,000,000; and
- (2) Make several technical amendments for the 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 H.B. No. 2669, 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. 2669, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Hemmings, Trimble).

SCRep. 3474 Ways and Means on H.B. No. 2075

The purpose of this measure is to ensure the implementation of a safe, continuous, and coordinated system of bikeways.

Specifically, this measure earmarks at least two per cent of federally allocated moneys from the state highway fund for bikeways. The Department of Transportation is required to include the bicycling community in determining when and where a bikeway is to be established.

Your Committee understands that a safe, continuous, and coordinated system of bikeways will help to reduce automobile traffic and associated highway costs, reduce air pollution and the use of fossil fuels, promote healthy lifestyles, and enhance Hawaii's environment for residents as well as tourists.

Your Committee has amended this measure by changing its effective date from upon approval to July 1, 2050, to facilitate 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 H.B. No. 2075, 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. 2075, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3475 (Majority) Ways and Means on H.B. No. 2214

The purpose of this measure is to reduce the \$3 per day rental motor vehicle surcharge tax to \$2 per day.

Additionally, this measure also clarifies that, in order for a motor vehicle lessor to be exempt from the rental motor vehicle surcharge tax when renting a replacement vehicle to a lessee whose vehicle is being repaired, either the lessor or the repair dealer must keep a record of the repair order.

Your Committee finds that under current law, the exemption applies only if the lessor retains the repair order. By extending the exemption to also apply when the repair dealer keeps a record of the repair order, this measure will reduce duplicative recordkeeping requirements.

Your Committee has amended this measure by:

- (1) Retaining the statutory provisions that increase the tax to \$3 per day from September 1, 1999, to August 31, 2007;
- (2) Changing the effective date from July 1, 2006, to July 1, 2050, to facilitate further discussions; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214, 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. 2214, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 2 (Kanno, Hemmings).

SCRep. 3476 Ways and Means on H.B. No. 2215

The purpose of this measure is to assist smaller concessionaires at the State's airports to provide security by other than a performance bond for their concession contracts.

Specifically, this measure allows concessionaires whose contracts require an amount less than four months' rental and other charges, to give security in a form other than by hard-to-obtain performance bonds. This measure allows these concessionaires to give security in a deposit of legal tender or by various financial instruments other than performance bonds, including certificates of deposit, share certificates, cashier's checks, treasurer's checks, teller's checks, official check drawn by, or certified check accepted by a bank, savings institution, or credit union.

Your Committee believes that allowing smaller concessionaires to provide financial security for their concession contracts by other than performance bonds will provide them with much needed relief.

As affirmed by the record of votes of the members 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3477 Ways and Means on H.B. No. 2273

The purpose of this measure is to make an emergency appropriation to cover anticipated expenditures resulting from the May 7, 2005, fire at Kalaheo Elementary School.

Specifically, this measure appropriates general funds of \$1,500,000 for transfer into the state risk management revolving fund and appropriates \$6,500,000 out of the state risk management revolving fund for the anticipated expenditures.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2273, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Trimble).

SCRep. 3478 Ways and Means on H.B. No. 2275

The purpose of this measure is to make an emergency appropriation for fiscal year 2005-2006 to cover statewide budgetary shortfalls in electricity payments for facilities managed by the Department of Accounting and General Services.

Your Committee understands that an emergency appropriation is needed to address a \$1,276,000 deficit in electricity payments for facilities managed by the Department of Accounting and General Services. Without the emergency appropriation, the Department of Accounting and General Services must defer payment of electricity bills for these facilities, starting in May 2006. The deficit is caused by unanticipated increases in statewide electricity rates attributed to the rise in world oil prices. Electricity consumption for these facilities has remained flat or decreased.

Additionally, your Committee understands that the University of Hawaii system requires an emergency appropriation to address a \$6,400,000 deficit in electricity payments for its facilities. This shortfall is also due to unanticipated increases in statewide electricity rates. The University of Hawaii notes, in this regard, that electricity costs for fiscal year 2005-2006 are estimated to be approximately twenty-four per cent higher than the electricity costs for the previous fiscal year.

Your Committee has amended this measure by:

- (1) Adding an emergency appropriation of \$6,400,000 for fiscal year 2005-2006 to cover budgetary shortfalls for electricity payments for University of Hawaii system facilities; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2275, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Trimble).

SCRep. 3479 Ways and Means on H.B. No. 2423

The purpose of this measure is to authorize the use of moneys in the state highway fund for the costs of construction, maintenance, and repair of county roads.

Your Committee finds that Act 178, Session Laws of Hawaii 2005, (Act 178) appropriated a total of \$10,000,000 from the state highway fund to the counties as a subsidy for much overdue and needed county road work for fiscal year 2005-2006. However, the Attorney General opined that Act 178 did not properly authorize use of these funds. Therefore, your Committee is recommending passage of this measure to address the concerns of the Attorney General to ensure that moneys the Legislature wants to provide to the counties may finally be used by the counties. This measure is required to enable these funds to be released for use by the counties.

As affirmed by the record of votes of the members 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. 2423, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3480 Ways and Means on H.B. No. 2637

The purpose of this measure is to provide temporary relief from lease and permit requirements for airport vendors who want to make improvements.

Specifically, this measure allows the Department of Transportation to modify terms of concession leases and permits upon mutual agreement with concessions seeking to make improvements, for leases signed after April 30, 2002, and which did not receive rent relief pursuant to Act 201, Session Laws of Hawaii 2004. This measure also requires the Department of Transportation to solicit bids for new leases within twelve months prior to the termination of any lease or permit receiving an extension provided by the measure.

Upon further consideration, your Committee has amended this measure by making various technical amendments, including clarifying that permits as well as concession leases are covered by the 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 H.B. No. 2637, 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. 2637, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3481 (Majority) Ways and Means on H.B. No. 2641

The purpose of this measure is to include as a public work any private construction project if more than fifty per cent of the assignable square feet of the project is leased or assigned for use by the State or any county.

Specifically, the measure establishes that, regardless of whether a construction project is between private persons and is to remain privately owned, the project is a public work and subject to the prevailing wage requirements of public works if fifty per cent of the assignable square feet is leased or assigned to the State or a county and either:

- (1) The lease is entered into prior the construction contract becoming effective; or
- (2) The construction work to be performed is according to a plan, specifications, or criteria established by the State or any county.

Your Committee has amended this measure by:

- (1) Adding a "savings" clause; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2641, 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. 2641, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 3482 (Majority) Ways and Means on H.B. No. 2778

The purpose of this measure is to require the State and covered entities to provide assistance to limited English proficient persons who are eligible for certain state-provided or state-funded programs.

Specifically, the measure:

- (1) Requires the State and covered entities that render services on behalf of the State to ensure meaningful access to services by providing oral and written language services to limited English proficient persons;
- (2) Establishes a Language Access Director position and provides duties and responsibilities;
- (3) Establishes a Language Access Advisory Council to advise the Language Access Director; and
- (4) Appropriates general revenues to staff and maintain positions for the office of the Language Access Director and Language Access Advisory Council.

Federal law requires that state agencies that administer federally sponsored programs must provide certain forms and documents or oral services to persons with limited English proficiency. This measure requires similar assistance to ensure access to state provided or state funded services by limited English proficient persons.

Your Committee has amended this measure by:

- (1) Clarifying that translations of vital documents are to be written translations;
- (2) Changing the term "state entities" to "state agencies", which is more commonly used throughout the Hawaii Revised Statutes to refer to agencies of the State;
- (3) Deleting the limitation of "community" input to clarify that the Language Access Advisory Council's input to the Language Access Director is not limited to "community" input and may include input from the professional and governmental members of the Advisory Council;
- (4) Changing the amount of the appropriation to \$1;

- (5) Changing the effective date to July 1, 2050 for the purpose of continuing discussion on this issue; and
- (6) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2778, 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. 2778, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 3483 Ways and Means on H.B. No. 3121

The purpose of this measure is to require the Director of Civil Defense to identify public shelters and private shelters that are suitable for sheltering pet animals.

Furthermore, this measure requires the Governor to establish criteria and conditions regarding the sheltering of pet animals in public shelters.

Your Committee acknowledges, and recent events have starkly shown, that when disaster strikes, many pet owners, worried about their pets' safety, may be dissuaded or delayed in seeking proper shelter, thus putting themselves in harm's way. Accordingly, your Committee finds that this measure is necessary to ensure the protection and safeguarding of human life in the event of a state emergency requiring evacuation to public emergency shelters. Your Committee further finds that this measure will clarify the Director's responsibilities in making shelters available for protecting pet animals during civil defense emergencies.

As affirmed by the record of votes of the members 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. 3121, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3484 Ways and Means on H.B. No. 3123

The purpose of this measure is to make an appropriation to fund a study by the Department of Health to assess the structural integrity of all hospitals and nursing homes in Hawaii.

In the aftermath of Hurricane Katrina, the Department of Homeland Security is requiring each state to assess its ability to evacuate and shelter residents in the event of a disaster. The special populations served by hospitals and long term care facilities are of particular concern. This measure would appropriate funds for a study to assess the structural integrity of hospitals and nursing facilities to determine their ability to withstand hurricanes.

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

- (1) Changing the amount to be appropriated to an unspecified amount;
- (2) Clarifying that the summary of the assessment shall be provided to the Legislature not later than twenty days prior to the convening of the 2007 Regular Session;
- (3) Changing the effective date to July 1, 2050, to promote further discussion; and
- (4) Making technical nonsubstantive amendments for the purpose 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. 3123, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3123, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3485 (Majority) Ways and Means on H.B. No. 1917

The purpose of this measure is to propose an amendment to the state constitution to establish a salary commission for the salaries of justices and judges, legislators, the governor, the lieutenant governor, and other executive branch officers.

This measure requires the commission to make salary recommendations to the legislature every six years. Furthermore, the recommended salaries will become effective unless the Legislature disapproves of all recommendations through a concurrent resolution during the legislative session in which the recommendation is submitted.

Your Committee finds that the state constitution currently establishes two different salary commissions for state officials, one commission is for legislators and the other commission is for justices and judges. The constitution does not establish a salary

commission for executive branch officials, but merely specifies that the salaries of the governor and lieutenant governor are to be set "as provided by law". The constitution does not address the salaries of other executive branch officials.

Your Committee finds that having a single commission to recommend salary levels for state officials in all three branches of government will promote efficiency, consistency, and fairness for such an important expenditure of state funds.

Your Committee 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 H.B. No. 1917, 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. 1917, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 3486 Ways and Means on H.B. No. 2051

The purpose of this measure is to establish offenses relating to human trafficking and provide victims of trafficking with defenses to certain offenses that they may have been forced by others to commit.

This measure also makes victims of trafficking eligible for crime victim compensation payments and permits forfeiture of property used in connection with or derived from the commission of trafficking offenses. This measure also requires the Attorney General to report to the Legislature annually regarding human trafficking. Finally, this measure establishes a task force to compile and review information from other states regarding support for victims of human trafficking and requires that the task force recommend changes to Hawaii law and programs.

Your Committee finds that human trafficking is a global problem with local manifestations. Whether for sweatshop labor or sexual exploitation, trafficking victimizes women and children, the poor, and the vulnerable in complex schemes that cross national, state, and local boundaries and that are not readily prosecuted under existing law.

Your Committee also finds, however, that the response to the local manifestation of this global problem requires careful consideration of the nature and extent of the problem as it exists in Hawaii, the current state of our laws, the resources available to combat human trafficking in Hawaii, and the best practices to address our particular needs.

Accordingly, your Committee has amended this measure by deleting the substantive statutory provisions while retaining, with modifications, provisions relating to establishing an anti-trafficking task force. Your Committee has further amended this measure by changing the sum to be appropriated to an unspecified amount and by changing the effective date to July 1, 2050, to promote 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 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 Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3487 Ways and Means on H.B. No. 2204

The purpose of this measure is to provide interim measures to ensure that an adequate amount of income and proceeds from the pro rata portion of the public land trust are made available to the Office of Hawaiian Affairs to better the conditions of native Hawaiians. In addition, the bill seeks to identify revenue-generating public trust lands and the amount of revenues received by requiring the Department of Land and Natural Resources to provide an annual accounting to the Legislature.

Specifically, the measure, among other things:

- (1) Establishes that, until the Legislature finally resolves the issue of how the Office of Hawaiian Affairs' pro rata share of public land trust revenues is to be determined, beginning with fiscal year 2005-2006, the income and proceeds from the pro rata portion of the public land trust to be expended by the Office of Hawaiian Affairs, under Article XII, section 6, of the State Constitution, shall be \$15,100,000;
- (2) Requires certain executive departments and agencies to transfer \$3,775,000 of receipts generated by the public land trust to the Office of Hawaiian Affairs within thirty days after the end of each fiscal quarter;
- (3) Appropriates \$17,500,000 to pay the Office of Hawaiian Affairs receipts from the use of lands in the public land trust that should have been transferred but previously were not transferred to the Office of Hawaiian Affairs between July 1, 2001, through June 30, 2005; and
- (4) Declares that nothing in the agreement contained in the measure is to be construed as resolving or settling, or be deemed to acknowledge the existence of, the claims of native Hawaiians to the income and proceeds of a pro rata portion of the public land trust under article XII, section 6, of the state constitution.

Your Committee finds that the agreement embodied in the measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded lands.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050 for the purpose of continuing discussion on this issue; 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 H.B. No. 2204, 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. 2204, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3488 Ways and Means on H.B. No. 2277

The purpose of this measure is to provide for the authorization and payment of claims against the State for judgments, settlements, and other miscellaneous payments.

Your Committee received testimony in support of this measure from the Attorney General.

Your Committee finds that the measure in its present form contains twenty-nine claims that total \$7,960,222.40. The Attorney General testified that since the hearing of this measure before the Committee on Judiciary and Hawaiian Affairs, nine additional claims have been resolved.

Your Committee has amended this measure by:

- (1) Incorporating nine new claims resolved for an additional \$1,877,581.47 in accordance with the Attorney General's testimony;
- (2) Alphabetizing the claims in sections 1 and 2 of the bill for ease of reference;
- (3) Correcting an arithmetic error in the subtotal and total for section 2 of the bill; and
- (4) Correcting a typographical error in the total for section 3 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 H.B. No. 2277, 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. 2277, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3489 Ways and Means on H.B. No. 2278

The purpose of this measure is to make two emergency appropriations for fiscal year 2005-2006 for:

- (1) DNA testing mandated by Act 112, Session Laws of Hawaii 2005 (Act 112); and
- (2) Programs for the prevention of sexual violence and the protection and treatment of victims of sexual violence as provided in Act 133, Session Laws of Hawaii 2005 (Act 133).

Your Committee finds that neither Act 112 nor Act 133 appropriated any funds. This measure would remedy this by providing the funding necessary to accomplish each Act's important objective.

Your Committee has amended this measure 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 H.B. No. 2278, 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. 2278, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Trimble).

SCRep. 3490 Ways and Means on H.B. No. 2303

The purpose of this measure is to improve the child support enforcement process by:

- (1) Allowing income withholding to continue, even when child support terminates, if there are outstanding support payments owed; and

- (2) Authorizing the Child Support Enforcement Agency to adopt administrative rules as necessary to implement the income withholding requirements.

Your Committee finds that, under current law, income withholding is normally stopped when a non-custodial parent's obligation to pay current child support terminates, even if the individual owes back child support. Either a judicial or administrative action must then be initiated to establish an order to liquidate the arrears and concurrently establish a new withholding order for the liquidation.

Your Committee finds that this measure closes another loophole in our State's child support enforcement laws. Many custodial parents may not have the time or want to spend their resources pursuing moneys in arrears, especially when the non-custodial parent used other loopholes to ensure that full child support payments were not received on a timely basis. While the non-custodial parent may be part of the problem, your Committee further finds that custodial parents, after years of fighting the system and going through long waiting periods just to speak to staff from the Child Support Enforcement Agency, may believe that the system is once again hurting them. It is your Committee's intent that the Child Support Enforcement Agency actively pursue moneys owed in arrears even after child support stops.

This measure would permit the Child Support Enforcement Agency to utilize the existing income withholding order for the payment of child support arrearages.

As affirmed by the record of votes of the members 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. 2303, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3491 Ways and Means on H.B. No. 2540

The purpose of this measure is to appropriate funds to increase the stipend for voter precinct officials.

Your Committee finds that stipends for voter precinct officials have not increased for the past seventeen years. Presently, most precinct officials receive the base stipend of \$75, which equates to about \$5.55 per hour in a normal thirteen and one-half hour work day.

This measure would allow the state Office of Elections to increase stipends to ensure that polling places are fully staffed for future elections.

Your Committee has amended the measure by deleting the amount appropriated to facilitate further 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 H.B. No. 2540, 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. 2540, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3492 Ways and Means on H.B. No. 2595

The purpose of this measure is to encourage the development of pro-social, family networks that will help the reintegration of inmates back into society to lead productive lives. Specifically, this measure restricts the Department of Public Safety from canceling preapproved and prescheduled family visits with inmates except for an emergency.

Your Committee finds that family visits not only strengthen personal relationships, but are also beneficial for inmates, families, and communities. Your Committee believes that in cases where staff absenteeism or other mitigating circumstances warrant concern, non-contact visits should be made available.

Your Committee has amended this measure by:

- (1) Clarifying that "substantial" costs incurred by visiting family members includes but is not limited to travel from a neighbor island or the mainland; and
- (2) Making technical nonsubstantive amendments for the purpose 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. 2595, 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. 2595, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3493 Ways and Means on H.B. No. 2625

The purpose of this measure is to appropriate funds for:

- (1) Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws; and
- (2) Registration and travel expenses for the 2006 National Conference of Commissioners on Uniform State Laws annual meeting for the Hawaii delegation that include:
 - (A) The Hawaii Commission to Promote Uniform Legislation;
 - (B) Life members of the National Conference of Commissioners on Uniform State Laws who volunteer their services to assist the Hawaii delegation; and
 - (C) The deputy attorney general assigned to the Hawaii Commission to Promote Uniform Legislation.

Your Committee finds that the National Conference of Commissioners on Uniform State Laws has been working on improving state laws and interstate relationships for one hundred fourteen years. Hawaii's Commission to Promote Uniform Legislation has been a part of the national effort since 1911. The work of the National Conference of Commissioners on Uniform State Laws is primarily supported by payments of dues from each state, based upon the state's population. Your Committee finds that Hawaii's participation provides our State a benefit and access to valuable resources that far exceed the amount of the State's dues for 2006. Your Committee further finds that participation in the annual meeting gives Hawaii's delegation the background and information needed when the Legislature considers uniform acts.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated to an unspecified amount to further discussion on this issue; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2625, 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. 2625, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3494 Ways and Means on H.B. No. 1880

The purpose of this measure is to delete certain lands at Piers 1 and 2 at Honolulu Harbor from the Kakaako Community Development District and the jurisdiction of the Hawaii Community Development Authority and transfer the lands to the Department of Land and Natural Resources to be set aside for the Department of Transportation and the Department of Business, Economic Development, and Tourism.

Your Committee finds that these lands are presently used by:

- (1) The Department of Transportation, Harbors Division, as a critical component of its Honolulu Harbor operations; and
- (2) The Department of Business, Economic Development, and Tourism, Foreign-Trade Zone Division, as a foreign-trade zone at Honolulu Harbor, the main cargo gateway to the State.

Your Committee believes that the efficient operation of the Honolulu Harbor for the transportation of cargo and passengers and the continued operation of the foreign-trade zone are both critical to the economy of this State. Therefore, the lands at Piers 1 and 2 and the backup fast lands should be properly transferred to the Department of Transportation and the Department of Business, Economic Development, and Tourism.

Your Committee further finds that, regardless of which Department or authority has jurisdiction of these lands, it is important that the Hawaii Community Development Authority continues to provide input into planning and implementing appropriate compatible maritime development in the waterfront area. This input process is essential to the Hawaii Community Development Authority's legislative mandate and is necessary to an examination of the entire district with a holistic perspective that includes traffic and infrastructure improvements. These elements are all needed to successfully operate maritime businesses in and around Piers 1 and 2, and it is important for all parties concerned, including the Hawaii Community Development Authority, to continue to focus on long-term solutions both inside and outside of Honolulu Harbor.

Your Committee has amended this measure by:

- (1) Transferring Lot A-1, as shown on map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application 1328, to the Department of Business, Economic Development, and Tourism, and Lot A-2 of the same map to the Department of Transportation;
- (2) Changing the effective date of this measure from "upon approval" to "July 1, 2050", to allow further discussion on this measure; and

- (3) Making technical nonsubstantive changes 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 H.B. No. 1880, 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. 1880, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3495 (Majority) Ways and Means on H.B. No. 2179

The purpose of this measure is to establish an irrigation repair and maintenance special fund and an irrigation repair and maintenance special fund tax credit.

The measure also authorizes the issuance of general obligation bonds to be deposited into the irrigation repair and maintenance special fund, makes an appropriation for the repair and maintenance of various irrigation systems across the State, and makes an appropriation to the Board of Agriculture for the operations, management, and administrative costs incurred with carrying out the provisions of this measure.

Your Committee finds that farmers across the State depend on various irrigation systems for water to irrigate their crops. The survival of the agricultural industry in Hawaii is dependent on sound, dependable, and functional irrigation systems.

This measure provides the financial means to ensure the proper operation and maintenance of state irrigation systems.

Your Committee has amended the measure by:

- (1) Changing all dollar amount references to \$1 to foster continuing discussion on this matter; 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 H.B. No. 2179, 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. 2179, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Trimble).

SCRep. 3496 Ways and Means on H.B. No. 2763

The purpose of this measure is to appropriate funds to the counties to control and eradicate the coqui frog.

Your Committee finds that, since its arrival in Hawaii in 1992, the coqui frog population has grown exponentially and is now firmly established on several islands. The infestation of coqui frogs in the State is in such high concentrations that their high-pitched shrill has been measured at levels that exceed the maximum noise levels allowed by law. The health and well being of many communities have suffered because of the unbearable noise.

The coqui frog has also negatively impacted the State's economy. On September 27, 2001, the coqui frog was declared an agricultural pest, making shipments of plants infested with coqui frogs subject to state quarantine. The coqui frog has also affected the tourism industry with infestations spreading onto hotel and tourist destination properties.

This measure addresses the problem of coqui frogs by appropriating funds to the counties of Hawaii, Maui, Kauai, and the City and County of Honolulu to control and eradicate the coqui frog.

Your Committee has amended the bill by:

- (1) Changing each unspecified appropriation amount to \$1;
- (2) Changing the effective date to July 1, 2050, to foster continued discussion on this matter; and
- (3) Making technical 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 H.B. No. 2763, 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. 2763, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3497 Ways and Means on H.B. No. 2771

The purpose of this measure is to appropriate funds to the Department of Agriculture to develop a master plan for an agricultural park in Royal Kunia.

Your Committee finds that the Department of Agriculture has acquired one hundred fifty acres of prime agricultural land in Royal Kunia and has designated it for agricultural park use. An agricultural park in Royal Kunia would not only serve to support agriculture in the State, but would also serve as a buffer between the urban and agricultural lands in the area.

This measure supports the establishment of an agricultural park in Royal Kunia by providing an unspecified amount to the Department of Agriculture for that purpose.

As affirmed by the record of votes of the members 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. 2771, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3498 Ways and Means on H.B. No. 2774

The purpose of this measure is to appropriate funds for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Your Committee finds that agricultural research is the foundation for Hawaii's agricultural industry to remain competitive in the global market. Furthermore, market development is another critical component in expanding Hawaii's agricultural industry. Your Committee finds that the Hawaii Farm Bureau Federation is a non-profit agricultural organization that has successfully partnered with the Department of Agriculture, the University of Hawaii, and other organizations in agricultural research and marketing projects.

Your Committee has amended this measure by:

- (1) Specifying that the appropriation is a grant pursuant to chapter 42F, Hawaii Revised Statutes; and
- (2) Changing the appropriation to an unspecified amount to facilitate 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 H.B. No. 2774, 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. 2774, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3499 Ways and Means on H.B. No. 2805

The purpose of this measure is to extend the time period allotted for the Hawaii Sustainability Task Force (task force) to complete the Hawaii 2050 Sustainability Plan by one year.

Specifically, the measure amends Act 8, Special Session Laws of Hawaii 2005 (Act 8), by extending:

- (1) The deadline for the Auditor to submit the "Hawaii 2050 Sustainability Plan" from not later than twenty days prior to the convening of the 2007 regular session to not later than twenty days prior to the convening of the 2008 regular session; and
- (2) The life of the task force from the adjournment sine die of the 2007 regular session to June 30, 2008.

Your Committee finds that Act 8 authorized the creation of the task force to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the task force submitted its first report to the Legislature, which indicated that, among other things, the process of creating the Hawaii 2050 Sustainability Plan would require a significant amount of planning and coordination, hence the need for the amendments contained in this measure.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2805, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2805, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3500 Ways and Means on H.B. No. 2806

The purpose of this measure is to appropriate moneys to be expended by the Auditor for the preparation of the Hawaii 2050 Sustainability Plan.

Your Committee finds that Act 8, Special Session Laws of Hawaii 2005, authorized the creation of the Hawaii 2050 Sustainability Task Force to review the Hawaii State Plan and the State's planning process and required the Office of the Auditor to prepare the Hawaii 2050 Sustainability Plan.

In December 2005, the task force submitted its first report to the Legislature, and in the report, the task force determined that, among other things, the process to create the 2050 Sustainability Plan should include research and data gathering, community input and outreach, and activities to educate the public. Although Act 8 appropriated \$100,000 in each of two fiscal years to create the 2050 Sustainability Plan, your Committee finds that this previously appropriated amount may be inadequate to accomplish Act 8's objectives. Accordingly, this measure provides a vehicle to appropriate the necessary funding to accomplish the task force's goals and objectives.

Your Committee has amended the measure by:

- (1) Inserting \$1 as the amount to be appropriated; and
- (2) Changing the effective date from July 1, 2006, to July 1, 2050;

to facilitate continued discussion on this issue.

As affirmed by the record of votes of the members 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. 2806, 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. 2806, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3501 Ways and Means on H.B. No. 2878

The purpose of this measure is to encourage diversification of Hawaii's economy by authorizing the issuance of special purpose revenue bonds to assist Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

Your Committee finds that a new veneer mill and cogeneration facility would benefit Hawaii's economy and help the State to meet its renewable energy goals.

Your Committee has amended this measure by changing the effective date of the measure to July 1, 2050, to facilitate 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 H.B. No. 2878, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3502 Ways and Means on H.B. No. 2974

The purpose of this measure is to extend the time allowed to acquire land to be designated as part of the proposed South Kona Wilderness Area.

Your Committee finds that the South Kona Wilderness Area was established pursuant to Act 59, Session Laws of Hawaii 2003, to preserve the visual, cultural, and historic aspects of South Kona. The South Kona Wilderness Area would preserve extensive archaeological sites, preserve and protect Hawaiian plants and animals, provide a wilderness area with minimal manmade structures, permit limited recreational activities, and prevent development. This measure allows the State an extension of one year to ensure that all lands warranting inclusion in the South Kona Wilderness Area are considered and reviewed accordingly.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate 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 H.B. No. 2974, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2974, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3503 Ways and Means on H.B. No. 3056

The purpose of this measure is to protect the economic, ecological, and cultural resources of Kawai Nui Marsh by transferring ownership of certain portions of the marsh from the City and County of Honolulu to the State of Hawaii.

Your Committee understands that both the City and County of Honolulu and the State of Hawaii own parcels of land that are part of the wetland ecosystem of Kawai Nui Marsh. This has caused the City and County of Honolulu and the State to dispute their respective management responsibilities of the marsh. This dispute has delayed restoration and rehabilitation of the marsh to the point where its continued ability to support native wildlife populations is in crisis.

Your Committee has amended this measure by:

- (1) Deleting language from Act 314, Session Laws of Hawaii 1990 pertaining to the transfer of Kawai Nui Marsh, tax map key no. 4-2-16:1, lot 2-b, to avoid confusion about what is being conveyed to the State;
- (2) Deleting provisions that would have granted the State an easement in perpetuity for parcels over which the State and the City and County of Honolulu have transfer disputes;
- (3) Deleting the provision that would have granted the State a temporary easement over parcels that have not been transferred by September 1, 2006;
- (4) Changing the appropriation to an unspecified amount to facilitate further discussion; and
- (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3056, 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. 3056, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3504 (Majority) Ways and Means on H.B. No. 1800

The purpose of this measure is to increase the income tax withheld from nonresidents who sell real property in Hawaii.

Presently, nonresident sellers of real property are required to withhold five per cent of the selling price of the property to ensure that the taxes owed to the State are paid.

Your Committee finds, however, that the State's maximum individual income tax rate of eight and one-quarter per cent and the State's maximum capital gains rate of seven and one-quarter per cent are higher than the five per cent withheld on real property sold to non-residents. Additionally, with the skyrocketing prices of real estate in Hawaii, the withholding of only five per cent of a real property's selling price may be insufficient to cover the taxes due to the State.

To address this concern, this measure provides a modest increase in the amount of the taxes withheld from five per cent to eight and one-quarter per cent to ensure the proper payment of income taxes by nonresident real property sellers.

Your Committee has amended the measure by:

- (1) Changing the taxable years subject to the increased withholding amount to years beginning after December 31, 2006; and
- (2) Changing the effective date to July 1, 2050 for purposes of furthering 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 H.B. No. 1800, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Hemmings, Slom). Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3505 (Majority) Ways and Means on H.B. No. 2239

The purpose of this measure is to help preserve the number of affordable housing rental units available to the people of Hawaii by authorizing eminent domain proceedings for the acquisition of the Kukui Gardens property from Kukui Gardens Corporation.

Your Committee finds that maintaining an inventory of affordable housing on Oahu is in the best interests of the public. Your Committee further finds that providing for the acquisition of Kukui Gardens through general funds, condemnation, revenue bond proceeds, or private funds is necessary to ensure preservation of Kukui Gardens as an affordable housing project.

Your Committee has amended this measure by:

- (1) Changing the amount to be appropriated from an unspecified amount to \$1 and changing the effective date from July 1, 2006, to July 1, 2050, to facilitate further discussion;
- (2) Clarifying a time frame for an agreement to be reached prior to eminent domain proceedings; and

- (3) 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 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. 1, 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. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3506 Ways and Means on H.B. No. 2315

The purpose of this measure is to update and improve the regulation of financial institutions under the Code of Financial Institutions by eliminating obsolete, unnecessary, or redundant requirements and increasing consumer protection and regulatory flexibility.

Among the amendments made by the measure are those that:

- (1) Eliminate the requirement that Hawaii financial institutions:
 - (A) File semi-annual statements of assets and liabilities;
 - (B) File amendments to articles of incorporation and bylaws;
 - (C) Notify the Commissioner of Financial Institutions (Commissioner) when opening, relocating, and closing automatic teller machines; and
 - (D) Comply with various provisions related to access to safety deposit boxes;
- (2) Remove references to mutual savings and loan associations, which are a type of association that no longer exists;
- (3) Increase the threshold for reporting illegal acts from amounts exceeding \$10,000 to amounts exceeding \$100,000;
- (4) Expand the range of low-income residential property investments permitted to banks, savings banks, savings and loan associations, and depository financial services loan companies, to include limited liability partnerships, limited liability companies, and corporations;
- (5) Give a trust company the authority to serve as a conservator and allow a trust company or bank authorized to do a trust business to continue to serve as a conservator after a merger, consolidation, or conversion;
- (6) Make the requirements for applications to organize a financial institution more consistent with Federal Depository Insurance Commission approval requirements;
- (7) Allow the Commissioner to:
 - (A) Waive annual fees on a year-to-year discretionary basis;
 - (B) Request records and other information from any financial institution at any time for good cause;
 - (C) Use the results of both a state and federal examination in lieu of an examination prescribed by the Code; and
 - (D) When ordering the removal of a financial institution-affiliated party from office or employment, prohibit the party from participating in the affairs of any other financial institution;
- (8) Require financial institutions to:
 - (A) Give notice of, and obtain approval from the Commissioner to use a particular name; and
 - (B) Notify and provide other information to the Commissioner when closing an operating subsidiary or service corporation to ensure proper disposal of assets and liabilities; and
- (9) Apply protections for the confidentiality of records to attorneys, and protecting certain information from subpoena or other legal process.

Your Committee finds that the amendments proposed in this measure will reduce the regulatory burden by eliminating obsolete requirements and improving the procedures for the licensing of financial institutions.

Your Committee has amended this measure by:

- (1) Conforming the definition of "building and loan association" contained in section 241-1, Hawaii Revised Statutes, to reflect the amendments made by this measure;

- (2) Amending section 27 of the measure, by properly setting forth section 412:3-609, Hawaii Revised Statutes, in its entirety, rather than just certain subsections, to conform with recommended drafting procedures; and
- (3) Making 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2315, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3507 Ways and Means on H.B. No. 2319

The purpose of this measure is to update and streamline the insurance statutes in conformity with federal law and national standards.

Your Committee finds that this measure is a housekeeping bill strongly supported by the Department of Commerce and Consumer Affairs' Insurance Division, as the measure will improve efficiency in the Division's operations.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2319, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3508 Ways and Means on H.B. No. 2964

The purpose of this measure is to authorize the Hawaii Housing Finance and Development Administration to lease land to qualified nonprofit organizations to build affordable housing.

Your Committee finds that the recent housing boom has displaced many families living in rental housing, priced many prospective homebuyers out of the housing market, and increased the homeless population in Hawaii.

This measure represents a creative approach to the lack of affordable housing by authorizing the Administration to extend long-term leases at a nominal lease rent rate of \$1 per year to qualified nonprofit organizations to provide affordable housing. These incentives will provide the impetus for nonprofit organizations to build affordable housing in the State.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, 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. 2964, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3509 Ways and Means on H.B. No. 2991

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for low and moderate income government housing programs.

Specifically, this measure implements article VII, section 12 of the Constitution of the State of Hawaii, which expressly authorizes the issuance of special purpose revenue bonds to assist low and moderate income government housing programs.

Your Committee believes this measure will stimulate the development of affordable housing. It will assist in decreasing the costs and shortening the time and processes required to develop affordable housing, and will ultimately benefit Hawaii's working families.

Your Committee has amended this measure by:

- (1) Amending the definition of "qualified affiliate" to clarify that a private organization is the "qualified affiliate" of the public instrumentality and not a separate entity allowed to develop low and moderate income housing;
- (2) Changing the effective date to July 1, 2050 for the purpose of continuing discussion on this issue; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2991, 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. 2991, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3510 Ways and Means on H.B. No. 3067

The purpose of this measure is to increase the amount of affordable loan funds to support agriculture in Hawaii through the use of linked investments.

Specifically, this measure establishes and authorizes the State to invest in linked investments to provide loan funds for agriculture in the State. This bill defines “eligible borrower”, “eligible lending institution”, “linked investment”, and “real property” and provides the framework in which linked investments are to be used.

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

- (1) Changing the maximum amount of a loan from an unspecified amount to \$1 for the purpose of further discussion;
- (2) Changing the lending rate of a linked investment from an unspecified percentage to one per cent (or the prime rate, whichever is lower) also for the purpose of furthering discussion;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical nonsubstantive amendments for the 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. 3067, 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. 3067, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3511 (Majority) Ways and Means on H.B. No. 3077

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Rosette Steel Hawaii with the technology-based manufacturing of steel products for use by the construction industry in the development of affordable housing in Hawaii.

Your Committee understands that Rosette Steel Hawaii is planning to build a high technology affordable housing plant on Oahu where it will manufacture steel components for affordable houses, including trusses and panels. These components can be erected quickly and affordably. For example, four material handlers can assemble a two-story, 2,700 square foot Rosette home in two days, thus, enabling Rosette Steel Hawaii to produce an estimated six affordable houses per day when in full production. The proposed plant will create twenty engineering jobs and eighty union scale production assembly jobs. Furthermore, Rosette Steel Hawaii products and technologies can also be exported to the neighboring islands and countries in the Pacific Rim.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate 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 H.B. No. 3077, 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. 3077, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3512 (Majority) Ways and Means on H.B. No. 2419

The purpose of this measure is to enhance the Department of Taxation’s computer system and to streamline its related operational procedures.

Specifically, the measure:

- (1) Authorizes the Department of Taxation to enter into performance-based contracts to enhance or acquire automated tax systems and related hardware and software to implement and administer any amendments made to the taxes imposed under Title 14 of the Hawaii Revised Statutes pursuant to the adoption of a streamlined sales and use tax agreement identified under chapter 255D, Hawaii Revised Statutes, or any county surcharge on the State’s general excise tax that may be imposed by the City and County of Honolulu;

- (2) Amends sections 237-8.6 and 238-2.6, Hawaii Revised Statutes, as amended by Act 247, Session Laws of Hawaii 2005, to authorize the Department of Taxation to apply this performance-based contracting authority to contracts executed in 2006 for services to implement the county surcharge on the state general excise tax and use taxes on imported services;
- (3) Establishes a new Integrated Tax Information Management Systems Special Fund to receive revenues from the integrated tax information management systems post-implementation revenue-generating initiatives that represent the increase over the average of the total amount of tax revenues collected under chapters 235, 237, and 238, Hawaii Revised Statutes, in each of the three years preceding the execution of a performance based contract;
- (4) Establishes that the moneys in the new Integrated Tax Information Management Systems Special Fund be expended to pay for integrated tax information management systems performance-based contracts and administrative and operating expenses;
- (5) Repeals section 231-3.2, Hawaii Revised Statutes, the former provisions of the Integrated Tax Information Management Systems Special Fund, since that special fund has been statutorily inoperative since July 1, 2005;
- (6) Repeals the Department of Taxation's authority to enter into performance-based contracts as established under Act 273, Session Laws of Hawaii 1996, to avoid inconsistency between the two authorizations; and
- (7) Requires that the Department of Taxation shall execute its performance-based contracts and work assignments in accordance with this measure and the following timelines:
 - (A) For executing the Department of Taxation's integrated tax information management systems enhancements and related services contract – October 1, 2006;
 - (B) For implementing the requirements of the county surcharge on the state general excise tax as authorized under Act 247, Session Laws of Hawaii 2005 – January 1, 2007; and
 - (C) For implementing the requirements of the Streamlined Sales Tax as identified under chapter 255D, Hawaii Revised Statutes – October 1, 2007.

Your Committee has amended the measure by:

- (1) Changing the effective date from upon approval to July 1, 2050; and
- (2) Making technical nonsubstantive amendments for the 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. 2419, 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. 2419, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 2 (Kanno, Hemmings).

SCRep. 3513 (Majority) Ways and Means on H.B. No. 1923

The purpose of this measure is to make permanent the Hawaii Tourism Authority's ability to hire its own attorney for specialized services, supervise its own fiscal accounts, appoint a sports coordinator, and expend up to five per cent of special fund moneys for administration.

Upon consideration, your Committee amended this measure by:

- (1) Deleting its contents and inserting S.B. No. 2974, S.D. 1, in its place. As amended, this measure extends, until June 30, 2011, the existing sunset of part I of Act 58, Session Laws of Hawaii 2004, that now allows the Authority to hire its own attorney for specialized services, supervise its own fiscal accounts, appoint a sports coordinator, and expend up to five per cent of special fund moneys for administration;
- (2) Making technical amendments to correct the reenactment language relating to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes; and
- (3) Changing the effective date of this measure to July 1, 2050, to allow further discussion on 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 H.B. No. 1923, 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. 1923, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3514 Ways and Means on H.B. No. 3217

The purpose of this measure is to recognize the many contributions of “kupuna,” the people of Hawaii’s ancestors and elders, by establishing a Kupuna Recognition Day.

Kupuna Recognition Day would be celebrated on the fourth Saturday of July and would not be construed as a state holiday.

Your Committee finds that kupuna play a significant role in enriching Hawaii’s culture, history, and traditions. This measure will recognize their valued contributions to the diversity and heritage of Hawaii.

For the purpose of facilitating further discussion, your Committee has amended this measure by:

- (1) Deleting the appropriation section of the measure; and
- (2) Amending the effective date from July 1, 2020, to July 1, 2050, to facilitate 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 H.B. No. 3217, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3217, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Espero, Fukunaga, Kanno, Hemmings).

SCRep. 3515 Ways and Means on H.B. No. 2678

The purpose of this measure is to allow a member of the Employees’ Retirement System who is diagnosed with an incurable debilitating disease to qualify for ordinary disability retirement but continue working until the member is no longer able to do so.

Specifically, the measure:

- (1) Requires the Employees’ Retirement System’s medical board to render a decision on whether the member suffers from an incurable debilitating disease within thirty days of the receipt of the member’s application for ordinary disability retirement;
- (2) Requires the Employees’ Retirement System’s Board of Trustees to render a decision on the member’s application for ordinary disability retirement within thirty days of receipt of the medical board’s determination of eligibility for ordinary disability retirement; and
- (3) Establishes a definition for the term “incurable debilitating disease”.

Your Committee finds that, under existing law, a member of the Employees’ Retirement System can only qualify for ordinary disability retirement upon certification by the Employees’ Retirement System’s Medical Board that the member is permanently mentally or physically incapacitated and should be retired. However, your Committee further finds that some Employees’ Retirement System members suffer from incurable debilitating diseases that have not yet progressed to the point where the members are unable to continue working. The measure would allow an Employees’ Retirement System member suffering from an incurable debilitating disease to qualify for ordinary disability retirement but continue working until physically or mentally unable to do so.

However, in the testimony submitted by the Employees’ Retirement System, the Employees’ Retirement System was concerned that the definition for “incurable debilitating disease” is too broad and would lead to retirement opportunities that could be viewed as contrary to the original intent of the ordinary disability retirement law. To address the Employees’ Retirement System’s concern, your Committee has amended the measure by replacing the amendments to the Employees’ Retirement System’s ordinary disability retirement law as received by your Committee, with amendments that:

- (1) Extend the current ninety-day retirement deadline to one hundred fifty days after notification of the Employees’ Retirement System’s Board of Trustees’ approval of the member’s ordinary disability application; and
- (2) Allow a member to file up to three ordinary disability applications and provide that, if the member’s third ordinary disability application is approved by the Employees’ Retirement System’s Board of Trustees, the member would be required to retire no later than one hundred fifty days after the mailing of the notice of the Board of Trustees’ approval.

Your Committee finds that the proposed three application limitation is similar to the current statutory requirement for regular retirement applications. However, if a member’s ordinary disability application is denied by the Employees’ Retirement System’s Board of Trustees, that application would not be counted towards the three application limitation.

As affirmed by the record of votes of the members 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. 2678, 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. 2678, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3516 (Majority) Ways and Means on H.B. No. 1918

The purpose of this measure is to establish a commission on salaries within the Department of Human Resources Development.

Furthermore, this bill appropriates funds to the Department and repeals provisions relating to the executive salary commission and the judicial salary commission.

Your Committee finds that this measure implements a proposed constitutional amendment that establishes a single salary commission for state officials in all three branches of state government.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for 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. 1918, 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. 1918, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 3517 Ways and Means on H.B. No. 1021

The purpose of this measure is to provide support to the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to enable these agencies to effectively regulate Hawaii's public utilities and meet the challenges of implementing the State's energy and telecommunications policies.

Specifically, this measure:

- (1) Increases the salary of the Chairperson of the Public Utilities Commission to be commensurate with the salary of the Director of Commerce and Consumer Affairs;
- (2) Authorizes the Chairperson of the Public Utilities Commission to appoint and employ utility analysts and legal assistants; and
- (3) Appropriates funds out of the compliance resolution fund to enable the Division of Consumer Advocacy to reorganize.

This measure also authorizes the Public Utilities Commission to suspend the collection of the public utilities fee when the balance of the Public Utilities Commission special fund exceeds \$3,000,000.

Your Committee is aware that the Public Utilities Commission and the Division of Consumer Advocacy face exceptional challenges in energy and telecommunications utility regulation. This includes, for example, challenges arising from the development of competition and the challenges of implementing the State's energy policies, including net energy metering, the deployment of renewable resources, and energy efficiency initiatives. These challenges require specialized staff, including utility analysts and legal assistants, to provide necessary technical, economic, policy, auditing, and legal expertise.

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

- (1) Deleting the section that sets forth the background and purpose of the measure;
- (2) Deleting the increase of the salary of the Chairperson of the Public Utilities Commission;
- (3) Deleting the authorization of the Public Utilities Commission to suspend payment of the public utilities fee;
- (4) Deleting provisions requiring the Public Utilities Commission to conduct a review of its organization and report its findings to the Legislature; and
- (5) Deleting the appropriation from the compliance resolution fund for reorganization of the Division of Consumer Advocacy.

As affirmed by the record of votes of the members 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. 1021, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 3518 (Majority) Ways and Means on H.B. No. 3118

The purpose of this measure is to authorize corporations to incorporate as responsible business corporations and be exempt from a percentage of all corporate taxes.

Your Committee understands that this measure will encourage the development of businesses that promote the public interest by requiring input from the corporation's employees and other stakeholders, as well as consideration of societal issues and the economy of the State and the nation, when determining what is in the best interests of the corporation.

Your Committee has amended this measure by:

- (1) Deleting the tax provisions;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion of the matter; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3118, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3118, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (Espero, Fukunaga, Kanno, Hemmings).

SCRep. 3519 (Majority) Ways and Means on H.B. No. 439

The purpose of this measure is to allow the Ombudsman to access state tax returns and tax return information to perform its duty of investigating administrative acts of agencies.

Your Committee finds that state law authorizes the Ombudsman to investigate administrative acts of agencies by conducting inquiries and gathering relevant information. The law, however, is silent with respect to the Ombudsman's authority to access state tax returns and tax return information. The state Attorney General has issued an opinion that the Ombudsman does not have the authority to access state tax returns and tax return information.

This measure would clarify state law to specifically authorize the Ombudsman to obtain state tax return information and, thus, allow the Ombudsman to fulfill the Ombudsman's duty of investigating complaints concerning the administrative acts of agencies.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 439, 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. 439, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3520 Ways and Means on H.B. No. 487

The purpose of this measure is to exempt fuel sold to common carrier airlines for use in inter-island or intra-island transportation from general excise and use taxes.

Your Committee notes that many airlines, including the two locally based inter-island carriers, are experiencing difficult financial times, in part due to the soaring costs of fuel. Sales of fuels sold from a foreign trade zone for use by airlines in interstate commerce are exempt from the State's general excise and use taxes. This measure will extend that exemption to fuel used in inter-island and intra-island transportation.

Your Committee has amended this measure by:

- (1) Placing an unspecified limit on the amount of the exemption that a common carrier can claim in any taxable year;
- (2) Changing the effective date of this measure to July 1, 2050, to facilitate further discussion on this measure; and
- (3) Making technical nonsubstantive changes for the 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 H.B. No. 487, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 487, H.D. 1, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3521 Ways and Means on H.B. No. 3087

The purpose of this measure is to expedite the purchase of necessary goods, services, and construction by the Hawaii Health Systems Corporation.

Specifically, the measure designates the chief executive officer of the Hawaii Health Systems Corporation as its chief procurement officer and raises the small purchase procurement ceiling from \$25,000 to \$50,000.

Your Committee finds that designating a chief procurement officer for the Hawaii Health Systems Corporation would facilitate the timely conformity with procurement requirements by the Hawaii Health Systems Corporation.

With regard to small purchases, your Committee finds that the measure brings into line the reality of the costs of goods and services with the threshold of small purchase contracts. However, based on the testimony submitted by the State Procurement Office, your Committee believes that, rather than simply raising the small purchase procurement ceiling to \$50,000, and making these purchases subject to procurement procedures established by rule, a similar solution could be established that would safeguard the integrity of the procurement process while concomitantly providing the flexibility necessary to timely procure needed goods, services, and construction.

To this end, your Committee has amended the measure by stating that procurements with a value of \$25,000 or greater, but less than \$50,000, shall be subject to the small purchase procedures of the State Procurement Code. Your Committee has also amended the measure by changing the effective date from July 1, 2006, to July 1, 2050, to facilitate further discussions.

As affirmed by the record of votes of the members 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. 3087, 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. 3087, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3522 (Majority) Ways and Means on H.B. No. 1033

The purpose of this measure is to provide a tax credit to farmers who do not have access to a state irrigation system and who are forced to purchase water from a county at higher rates.

The amount of the tax credit would be equal to the difference between the amount paid by a farmer for water purchased from the county, and the amount that the farmer would have paid for water had the farmer had access to a state irrigation system.

Your Committee finds that state irrigation systems provide water to many farmers throughout the State. However, they do not provide water to all farmers, and as a result, many farmers are forced to purchase water at higher rates from the counties.

Your Committee has amended this measure by:

- (1) Inserting a maximum unspecified dollar amount that a taxpayer may claim in each taxable year under the tax credit;
- (2) Clarifying how the tax credit is to be computed and apportioned for taxpaying entities other than natural persons; and
- (3) Making technical nonsubstantive changes for style, clarity, and consistency.

Your Committee believes that establishing a tax credit for farmers who must purchase county water would provide equitable treatment to all farmers with regard to procuring access to water resources.

As affirmed by the record of votes of the members 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. 1033, 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. 1033, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Slom). Excused, 4 (Espero, Fukunaga, Kanno, Hemmings).

SCRep. 3523 Ways and Means on H.B. No. 2271

The purpose of this measure is to provide the Board of Agriculture with the full authority to manage, develop, and dispose by lease of any public land set aside as non-agricultural park lands, notwithstanding the provisions of chapter 171, Hawaii Revised Statutes (public lands).

Specifically, this measure allows the Board of Agriculture to, among other things:

- (1) Determine the eligibility requirements of each disposition and applicant qualifications;
- (2) Determine the specific agriculture or aquaculture use for which the disposition is intended;
- (3) Set the terms of the leases that shall not be less than fifteen years nor more than sixty-five years; and

- (4) Set other terms it deems necessary, including restrictions against alienation and provisions for withdrawal by the Board.

This measure further provides institutional lenders with assurances of their security rights to make the leased lands more attractive for mortgages.

Your Committee has amended this measure by:

- (1) Clarifying that the dispositions of non-agricultural park lands shall be by lease;
- (2) Clarifying the Board of Agriculture's authority to adopt rules setting forth eligibility requirements of each disposition and applicant qualifications;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive changes for the 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 H.B. No. 2271, 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. 2271, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3524 Ways and Means on H.B. No. 2555

The purpose of this measure is to prohibit the Hawaii Community Development Authority from selling the fee interest in any public lands in the Kakaako community development district.

Your Committee finds that public sentiment is opposed to the sale of the fee interest in any public lands in the Kakaako community development district. Furthermore, that opposition extends to the development of any residential development in the district makai of Ala Moana Boulevard.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new section to part II of chapter 206E, prohibiting the Authority from:
 - (A) Selling or otherwise assigning the fee simple interest in any public lands within the Kakaako community development district; or
 - (B) Approving any plan or proposal for any residential development in that portion of the Kakaako community development district makai of Ala Moana Boulevard; and
- (2) Changing the effective date of this measure to July 1, 2050, to allow for 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 H.B. No. 2555, 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. 2555, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3525 Ways and Means on H.B. No. 2587

The purpose of this measure is to protect, conserve, and sustain Hawaii's marine resources for future generations and the future well-being of the State.

Specifically, this measure makes appropriations to allow the Department of Land and Natural Resources to:

- (1) Undertake an assessment of various marine management measures to implement effective and appropriate measures and programs to sustain and conserve Hawaii's marine resources; and
- (2) Provide additional positions to assist in the enforcement of the State's fishing laws.

Your Committee has received the concerns expressed by all segments of the population involved with the marine resources of this State, particularly fishers and those most directly impacted by existing fishing laws and proposals for new enforcement measures. Concerns expressed were generally opposed to the possible expansion of no-take marine managed areas.

While these areas focus on regulating consumptive users, the Department of Land and Natural Resources noted, in testimony presented in an informational briefing on the Supplemental Budget for fiscal year 2006-2007, that "the habitat is being degraded by many facets of development and heavy use by non-consumptive users, including commercial dive and snorkeling tours, and an increase of people recreating in the ocean." These nearshore activities directly impact the health of the reefs and the dependent marine

resources. Your Committee finds that all consumptive and non-consumptive users should be considered and consulted with in management decisions to achieve the desired resource conservation goal with the least restrictive regime. Additional options raised included seasonal closures in lieu of expanding no-take areas.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Land and Natural Resources consider, as a management tool, the use of seasonal closures rather than expanding the no-take areas;
- (2) Clarifying that the appropriations being made are to sustain and conserve Hawaii's marine resources;
- (3) Adding \$1 amounts for the appropriations;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (5) Making technical nonsubstantive changes 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 H.B. No. 2587, 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. 2587, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3526 Ways and Means on H.B. No. 1862

The purpose of this measure is to allow the Department of Education to employ retired licensed teachers to teach full-time in teacher shortage areas and serve as mentors for new classroom teachers.

Your Committee finds that as more "baby-boom" teachers in Hawaii and across the nation retire, the task of recruiting highly qualified teachers is becoming more challenging each year. Consequently, finding sufficient numbers of highly qualified teachers for shortage areas is becoming more difficult, and teacher shortages are expected to grow as more "baby-boom" teachers retire through the remainder of the decade. This measure addresses the teacher shortage problem by authorizing the hiring of retired teachers to fill anticipated teacher vacancies.

Your Committee has amended the measure by:

- (1) Placing the hiring authorization to hire retired teachers into part III of chapter 302A, Hawaii Revised Statutes, rather than leaving it situated in uncodified law;
- (2) Changing the effective date from July 1, 2006 to July 1, 2050 to facilitate further discussion;
- (3) Repealing the hiring authorization in five years, on June 30, 2011;
- (4) Including parallel references to employees' contributions under the Employees' Retirement System Hybrid Plan; and
- (5) Making technical nonsubstantive amendments to reflect the placement of the substantive provisions of the measure in the 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. 1862, 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. 1862, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Trimble).

SCRep. 3527 (Majority) Ways and Means on H.B. No. 1865

The purpose of this measure is to strengthen the financial operations of Hawaii's public school system and help achieve the goals of Act 51, Session Laws of Hawaii 2004, by creating a new chief financial officer position in the Department of Education to meet the broad demands of managing the Department's budget and overseeing its financial operations.

Your Committee finds that this measure will assist the Department to better meet the expectations of the community, while ensuring accountability and transparency of its financial operations. This measure also designates the chief financial officer as an assistant superintendent and creates an attendant secretary position.

Your Committee has amended this measure by:

- (1) Changing the amounts appropriated to unspecified amounts to facilitate further discussion;
- (2) Changing the effective date from upon approval to July 1, 2050; and

- (3) Making technical nonsubstantive changes for the purposes of style and 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. 1865, 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. 1865, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kanno, Hemmings).

SCRep. 3528 (Majority) Ways and Means on H.B. No. 2182

The purpose of this measure is to provide resources for both the operations and repair and maintenance of Hawaii's public schools.

Specifically, this measure:

- (1) Authorizes the Director of Finance to issue general obligation bonds for capital improvements projects for the Department of Education;
- (2) Makes appropriations for the operations of the Department of Education and repair and maintenance of public school facilities;
- (3) Allows the Department of Education to enter into financing agreements without the approval of the Director of Finance, but with the approval of the Attorney General as to form and legality, for the development of public school facilities; and
- (4) Establishes the new school construction special fund for the purpose of making lease back payments for new schools constructed through the use of financing agreements.

Your Committee amended this measure to facilitate further discussion by:

- (1) Inserting specific amounts for the two appropriation sections;
- (2) Inserting a specific amount for the authorized general obligation bond issue; and
- (3) Changing the effective date to July 1, 2050.

Your Committee also made technical nonsubstantive changes 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 H.B. No. 2182, 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. 2182, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3529 (Majority) Ways and Means on H.B. No. 3237

The purpose of this measure is to implement the recommendations of the temporary early childhood education task force established by Act 151, Session Laws of Hawaii 2005.

Specifically, this measure:

- (1) Establishes the Office of Early Learning to develop and implement a comprehensive, statewide early learning system for children up to five years of age;
- (2) Establishes the early learning policy board to govern the Office of Early Learning;
- (3) Requires the Office of Early Learning to establish an early learning community council in each county to collect and report data, identify outcomes and indicators, set strategic priorities, coordinate programs and services, carry out planning and budgetary duties, and assess community performance;
- (4) Authorizes the Office of Early Learning to contract with a tax-exempt early education organization for assistance and appropriates funds therefor;
- (5) Requires the Office of Early Learning to assist in expanding workforce and professional development opportunities in early learning; and
- (6) Establishes and appropriates funds for a five-year pilot program that includes, among other things: a summer transition program for children entering kindergarten and junior kindergarten; transition and professional development training; parenting, caregiver, and family childcare education; and a model preschool.

Your Committee is aware that a significant barrier to obtaining high quality programs in early childhood education is the lack of infrastructure development. Necessary infrastructure includes high quality standards, workforce and professional development, service tracking, and the development of financing mechanisms. The establishment of the Office of Early Learning will enable the State to systematically develop the comprehensive early learning system that the young children of Hawaii require.

Your Committee has amended this measure by:

- (1) Changing all appropriations to unspecified amounts for the purpose of facilitating further discussion;
- (2) Changing the effective date of the measure to July 1, 2050, also for the purpose of facilitating further discussion; and
- (3) Making technical nonsubstantive amendments for the 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. 3237, 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. 3237, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Hemming, Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3530 (Majority) Ways and Means on H.B. No. 1889

The purpose of this measure is to establish an Office of International Affairs within the Department of Business, Economic Development, and Tourism, to coordinate and promote economic, social, cultural, and scientific relations with other countries.

Specifically, the Office of International Affairs would:

- (1) Develop policies that:
 - (A) Promote relations with other countries;
 - (B) Promote transportation between, and tourism with, other countries; and
 - (C) Promote international telecommunications and high technology exchanges;
- (2) Encourage the development of international sister-city programs;
- (3) Develop and promote Hawaii as the economic, trade, commerce, transportation, banking, and tourism hub of the Pacific; and
- (4) Develop an international affairs and peace education curriculum.

Your Committee notes that the Office of International Relations was abolished in 1994 as a cost cutting measure. Subsequently, the Department of Business, Economic Development, and Tourism has assumed the functions of the Office of International Relations. However, a separate Office of International Affairs would enable the State to carry out its international activities more effectively.

In this time of globalization, it is critical for Hawaii to assume a proactive role in international matters. Our State is impacted by international agreements and activities and there is much to learn from other countries. Furthermore, it is often said that this new century will belong to the Pacific and not the Atlantic. That East Asia is recognized as being the most productive economic region in the world is evidence of this theory. In the international arena, Hawaii has to offer not only its prime location and natural beauty, but its people, whose talent, skills, and cultural and value affinities combine the best of the East and the West.

Your Committee has amended this measure by:

- (1) Changing its effective date from upon approval to July 1, 2050, to facilitate further discussion;
- (2) Deleting references to naming the office after anyone in particular; and
- (3) Making technical nonsubstantive amendments for the purpose of clarity, 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 H.B. No. 1889, 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. 1889, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes 9. Noes, 2 (Slom, Trimble). Excused, 4 (Espero, Fukunaga, Kanno, Hemming).

SCRep. 3531 (Majority) Ways and Means on H.B. No. 2175

The purpose of this measure is to provide a framework for energy self-sufficiency for Hawaii by:

- (1) Increasing the renewable energy technologies income tax credit for certain solar-thermal and photovoltaic energy systems and removing the tax credit's January 1, 2008, sunset date;
- (2) Authorizing the issuance of general obligation bonds for a pilot project to install photovoltaic systems and net energy meters at public schools on the islands of Oahu, Hawaii, and Kauai and within the county of Maui;
- (3) Updating the State's energy policy to promote the use by the State of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternative fuels, and energy-savings contracts;
- (4) Requiring the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and make recommendations on how and when to conduct periodic energy audits;
- (5) Requiring the counties to establish a procedure for priority processing of permit applications for construction projects incorporating Leadership in Energy and Environmental Design building standards;
- (6) Authorizing the issuance of general obligation bonds to fund energy efficiency projects for state facilities, vehicles, and equipment;
- (7) Appropriating funds for a full-time energy efficiency coordinator position to address energy efficiency in Department of Education facilities;
- (8) Establishing the pay-as-you-save pilot project to provide a financing mechanism to make purchases of residential solar hot water heater systems more affordable; and
- (9) Establishing the Hawaii renewable hydrogen program and the hydrogen investment capital special fund and providing funding therefor.

Your Committee understands that energy self-sufficiency in the State of Hawaii will have broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation. This measure will facilitate the State's ability to achieve its goal of energy self-sufficiency, by ensuring the incorporation of new and evolving technologies and providing incentives and assistance to address barriers.

Your Committee has amended this measure by:

- (1) Changing all appropriation amounts, except the amount appropriated for the energy efficiency coordinator position, to an unspecified amount to facilitate further discussion;
- (2) Changing the appropriation amount for the energy efficiency coordinator position from an unspecified amount to \$1 to facilitate further discussion;
- (3) Clarifying that funds appropriated for energy efficiency for state facilities, vehicles, and equipment under the control of the Department of Education may be used by the Department to develop Hawaii Sustainable School Design Protocol Standards, among other things; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, 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 H.B. No. 2175, 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. 2175, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3532 Ways and Means on H.B. No. 2153

The purpose of this measure is to provide outpatient, urgent, and extended medical care services to residents of West Maui, who do not have access to these services after normal physician hours.

Your Committee finds that West Maui residents must travel over twenty-five miles to the nearest hospital, the Maui Memorial Medical Center, to receive treatment in an emergency room. Your Committee further finds that a private or nonprofit health care provider located in West Maui could save the lives of many residents and help reduce the number of non-emergency dispatch cases being handled by Maui Memorial Medical Center that are not truly emergencies.

Your Committee has amended this measure by:

- (1) Inserting provisions contained in Senate Bill No. 2343, H.D. 1, to provide that health care workers and contracted health care providers are subject to criminal history record checks;
- (2) Inserting an unspecified appropriation amount;

- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive changes for the purposes of style and 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. 2153, 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. 2153, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3533 Ways and Means on H.B. No. 3105

The purpose of this measure is to allow individuals who participate in all Hawaii Medicaid medical plans to have open access to mental health medications.

Specifically, this measure removes the requirement to consult with a psychiatrist for a recipient's access to psychotropic medication. Furthermore, this bill applies to all Hawaii Medicaid medical plans and will eliminate any:

- (1) Prohibition against restrictions to access to psychotropic medication; and
- (2) Exemption from the need for pre-authorization for access to psychotropic medication.

Upon further consideration, your Committee has amended this measure by making several technical nonsubstantive amendments for the 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. 3105, 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. 3105, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3534 (Majority) Ways and Means on H.B. No. 3142

The purpose of this measure is to establish a trauma system special fund with a dedicated source of revenue to support the continuing development and operation of a comprehensive state trauma system.

Your Committee understands that hospitals and physicians who provide trauma care have been absorbing significant uncompensated costs for many years. While reimbursements for trauma care from health plans, managed care, medicare, medicaid, and safety net programs for the uninsured have dramatically decreased, the costs of delivering trauma care have consistently increased. In Hawaii, The Queen's Medical Center incurs an annual loss of about \$6,000,000 in the trauma care area.

Uncompensated trauma care is also one of the primary reasons for the shortage of physicians who are willing to be on call to trauma centers. A shortage of on-call physicians jeopardizes a trauma team's ability to provide appropriate trauma care, thus exposing patients to increased risk of harm.

Your Committee finds that several states have dedicated sources of funding for their trauma funds, including surcharges tacked onto fees for drivers' licenses, motor vehicle registration renewals, and the sale, lease, or transfer of motor vehicles.

Your Committee has amended this measure by:

- (1) Changing the existing appropriation from an unspecified amount to \$1 to facilitate further discussion;
- (2) Adding a new section appropriating funds out of the trauma system special fund and renumbering the remaining sections consecutively;
- (3) Providing guidance and standards to the Department of Health for expenditures from the trauma system special fund; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, 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 H.B. No. 3142, 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. 3142, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (English, Kokubun, Trimble).

SCRep. 3535 Ways and Means on H.B. No. 1866

The purpose of this measure is to provide the University of Hawaii with autonomous authority over its accounting systems and other purchasing responsibilities and duties until June 30, 2010.

Your Committee finds that the Auditor's Report: "Systemwide Financial Audit of the University of Hawaii System: Phase 1" was very critical of the financial management practices at the University of Hawaii at Manoa. The report found that "the budget process and financial system of the Manoa campus do not fully ensure fiscal accountability. The Manoa campus's budget impedes the efficient and effective use of resources ... the Manoa campus lacks a formal mechanism for monitoring program use of funds, resulting in little assurance that the campus has an adequate understanding of its overall fiscal condition ... the Manoa campus also lacks formal policies and procedures to ensure the proper use of general and tuition funds..."

Therefore, your Committee remains unconvinced that, at this point in time, the University of Hawaii is prepared for and deserving of the fiscal autonomy it seeks and, therefore, has amended the measure to provide the University with fiscal autonomy on a probationary basis for only two years.

Your Committee has also amended the measure to also allow the Department of Education to exercise fiscal autonomy on a probationary basis for two additional years. Your Committee is in the process of studying the Department of Education's record concerning fiscal autonomy and has included the Department with the University in this measure for purposes of facilitating continuing discussion on this matter.

It is the intent of your Committee to revisit this issue again in two years to determine if permanent fiscal autonomy is warranted for the University of Hawaii and the Department of Education.

As affirmed by the record of votes of the members 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. 1866, 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. 1866, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Fukunaga, Trimble).

SCRep. 3536 Ways and Means on H.B. No. 2183

The purpose of this measure is to authorize the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters.

Your Committee finds that the supply of emergency shelters is woefully and dangerously inadequate. Emergency shelters can make the difference between life or death in a disaster, as was demonstrated in New Orleans with Hurricane Katrina.

However, your Committee believes that the measure, as received by your Committee, falls short of adequately planning for the future occurrence of natural disasters. Your Committee believes that a more comprehensive and coordinated approach should be taken to harden state-controlled facilities. Consequently, your Committee has amended the measure by deleting the substantive contents of the measure and inserting therefor an amended version of S.B. No. 2955, S.D. 2, that:

- (1) Adds a new chapter in the Hawaii Revised Statutes that establishes a state building code council to formulate and periodically update statewide model building codes and design standards;
- (2) Appropriates funds for the state building code council;
- (3) Provides that the state building code serve as a standard of construction for all building construction, including state buildings;
- (4) Requires developers of new residential developments to design and construct community facilities to meet hurricane resistant criteria and to install siren warning systems;
- (5) Requires developers of existing residential developments to install siren warning systems;
- (6) Authorizes the issuance of general obligation bonds to fund retrofitting of public school buildings to enable them to be used as emergency shelters;
- (7) Requires the Departments of Education and Defense to jointly determine which Department of Education-controlled structures that are currently being identified as emergency shelters are not in compliance with the Department of Defense's emergency shelter design criteria adopted pursuant to Act 5, Special Session Laws of Hawaii 2005, and to identify Department of Education-controlled sites for new emergency shelters;
- (8) Appropriates funds to retrofit Department of Education-controlled facilities that are identified as emergency shelters to comply with the Department of Defense's emergency shelter design criteria adopted pursuant to Act 5, Special Session Laws of Hawaii 2005, but designates the Department of Education as the expending agency;
- (9) Requires that the first \$2,000,000 of the annual net investment income earned from the principal in the Hurricane Reserve Trust Fund, in fiscal years 2006-2007 and 2007-2008, be deposited to the credit of the Loss Mitigation Grant Fund under section 431:22-102, Hawaii Revised Statutes; and
- (10) Provides an income tax credit for the installation of wind resistive devices.

As affirmed by the record of votes of the members 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. 2183, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2183, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Trimble).

SCRep. 3537 Ways and Means on H.B. No. 3036

The purpose of this measure is to accelerate a subcontractor's or materialman's right to payment upon completion of the subcontract work or supplying of materials in public works contracts.

Specifically, this measure would:

- (1) Require the payment of any sums retained or withheld to a subcontractor upon submission of a properly documented payment request and the posting of performance and payment bond or valid union trust fund contribution bond;
- (2) In the event that a subcontractor cannot post a performance and payment bond or other bond or collateral acceptable to the contractor, allow contractors and subcontractors to negotiate and include in subcontracts provisions of retainages of up to ten per cent; provided that the government procurement officer and not the contractor can retain or withhold the portion of the amount owed to the subcontractor; and
- (3) Allow a governmental agency, in the absence of agreement with a contractor, to modify an existing contract by making adjustments in prices unilaterally and provide for an adjusted interim price.

Your Committee finds that this measure will provide subcontractors with a process to request the release of final payments to subcontractors before the completion of the entire construction project. The measure specifies that the amounts withheld or retained will be held by the procurement officer of the contracting or purchasing agency. The measure also amends the current procedures for approval of change orders and force account work to expedite the process and ensure prompt resolution of change orders requested by the contracting or purchasing agency.

Your Committee is cognizant that the contracting or purchasing agencies enter contracts with the prime contractor and not the numerous subcontractors. Therefore, this measure also addresses concerns over the protection of the contracting or purchasing agency and its prime contractors, while providing a process for the release of final payments to subcontractors before the final completion of a project.

Your Committee has amended this measure by:

- (1) Requiring the payment of any sums retained or withheld to a subcontractor upon the submission of a properly documented payment request and the provision of a release of retainage bond or other mutually acceptable bond or collateral;
- (2) Requiring that the retainage of any sums due a subcontractor in any public works project be held by the procurement officer;
- (3) Allowing contract price adjustments, if there is no agreement between the parties and:
 - (A) If the change order is in an amount less than \$50,000, by the actual documented cost of the work, plus twenty per cent of the actual costs for overhead and profit; or
 - (B) If the amount is in excess of \$50,000, by unilateral determination by the governmental agency, subject to a filing of a notice of intent to file a claim by the contractor;
- (4) Changing the effective date of this measure to July 1, 2060, to allow further discussion on this measure; and
- (5) Making technical nonsubstantive changes 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 H.B. No. 3036, 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. 3036, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kanno, Hemmings).

SCRep. 3538 Ways and Means on H.B. No. 2176

The purpose of this measure is to implement the recommendations of the Housing and Homeless Task Force.

After due consideration of the legislation proposed by the Housing and Homeless Task Force and careful evaluation of other housing legislation previously considered by your Committee, your Committee has decided to delete the contents of the measure and replace it with S.B. No. 2958, S.D. 2, and H.B. No. 2066, S.D. 1. These measures represent an omnibus housing package that addresses issues related to homelessness and low-income and affordable housing.

Generally, the omnibus package:

- (1) Sets aside public housing for grandparents raising grandchildren;
- (2) Appropriates funds for the repair and maintenance of public housing, improvements to infrastructure for new and existing transitional housing, homeless and transitional housing programs, repair of vacant housing units, and other housing support services;
- (3) Authorizes bond issuances for affordable housing;
- (4) Allows state-owned parcels to be leased for the development of self-help housing;
- (5) Amends the state low-income housing tax credit to permit its use for construction and rehabilitation of existing affordable housing units; and
- (6) Assists low and moderate income home buyers by providing a state income tax mortgage credit certificate program.

Your Committee is confident that this omnibus housing package will address many of the concerns raised by advocates for housing in 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. 2176, 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. 2176, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3539 (Majority) Ways and Means on H.B. No. 3115

The purpose of this measure is to provide Hawaii's gasoline consumers with fair market-related gasoline prices in a local oligopolistic petroleum industry.

Specifically, this measure:

- (1) Amends chapter 486J, Hawaii Revised Statutes, to require additional and more pertinent information to be provided by the petroleum industry, thereby providing more transparency in the petroleum industry;
- (2) Establishes the petroleum industry monitoring, analysis, and reporting program and special fund;
- (3) Suspends the maximum pre-tax wholesale gasoline price provision, while authorizing the Public Utilities Commission to temporarily lift the suspension on a zone-by-zone basis if oil companies raise and maintain wholesale gasoline prices above the maximum pre-tax wholesale gasoline price that would have been in effect had it not been suspended;
- (4) During any time that the maximum pre-tax wholesale gasoline price provision is suspended,
 - (A) Requires the gasoline distributors and dealers to continue to provide information and data required by chapter 486J; and
 - (B) Requires the Public Utilities Commission to continue to calculate and publish what the maximum pre-tax wholesale gasoline price would have been had the provision not been suspended;
- (5) Amends section 486H-13, Hawaii Revised Statutes, by:
 - (A) Adding the Singapore spot price weekly average price of conventional regular unleaded gasoline to the baseline price determination, with the three lowest weekly averages being averaged to determine the baseline price of regular unleaded gasoline;
 - (B) In the event of a holiday or holidays in a prior week, requiring the Public Utilities Commission to average the prices of the days that were not holidays;
 - (C) Eliminating the location adjustment factor;
 - (D) Reducing the marketing margin to 14 cents;
 - (E) Allocating percentages of zone price adjustments in zones 2 through 8 to distributors based upon the different function of the distributors; and
 - (F) Providing for zone price adjustments and allocations of zone price adjustments on a zone by zone basis;

- (6) Makes an appropriation from the general fund into the petroleum industry monitoring, analysis, and reporting special fund and an appropriation from the latter special fund to establish and maintain the petroleum industry monitoring, analysis, and reporting program; and
- (7) Sets forth and prohibits unfair trade practices by the petroleum industry.

Your Committee finds that these provisions should have the desired effect of providing Hawaii's gasoline consumers with fair market-related gasoline prices, by providing more transparency in the petroleum industry and by also maintaining the maximum pre-tax wholesale gasoline price provision in the event that the industry transparency does not result in the desired fair market-related gasoline prices.

Your Committee has amended this measure by:

- (1) Providing specified amounts to be appropriated by this measure;
- (2) Changing the effective date to July 1, 2050, to allow further discussion on this measure; 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. 3115, 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. 3115, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Hemmings, Slom). Excused, 4 (English, Fukunaga, Kanno, Trimble).

SCRep. 3540 Energy, Environment, and International Affairs on Gov. Msg. No. 326

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 326 GAIL LEANNE GRABOWSKY, Ph.D., for a term to expire 6-30-2010

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of GAIL LEANNE GRABOWSKY, Ph.D., from the Office of Environmental Quality Control, and one individual. Dr. Grabowsky earned a B.S. in Zoology and Classical Studies and an M.A. in Zoology from Duke University. She is an Associate Professor and Program Director of Environmental Studies at Chaminade University. Dr. Grabowsky has consulted on research projects for the National Audubon Society and the Western Pacific Regional Fisheries Management Council. She expressed her interest in continuing her service on the Environmental Council for another term to continue efforts to establish environmental justice guidelines for the environmental review process in Hawaii. Dr. Grabowsky's past experience on the Environmental Council, as well as her knowledge of environmental studies, make her an asset to the council.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3541 Transportation and Government Operations on Gov. Msg. No. 317

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 317 ANTHONY D. CASTBERG, for a term to expire 6-30-2010

Your Committee received testimony in support of the nominee from the State Department of Defense and the Hawaii County Prosecuting Attorney.

ANTHONY D. CASTBERG is a reappointment to the Civil Defense Advisory council. The nominee has been a Professor of Political Science since 1974 at the University of Hawaii at Hilo. He received B.A. and M.A. degrees in political science at the University of Hawaii at Manoa, and a Ph.D. degree in political science from Northwestern University. The nominee is active in community and university service, including MIS Specialist/Evaluator for the Third Circuit Court Drug Court Planning Team; Youth Builders, Hawaii County Prosecutors Office; Board of Directors of the Big Island Press Club; Board of Trustees of the Hilo Yacht Club; Program Planning Committee of the Department of Research and Development, County of Hawaii; and Hawaii Island Corrections Advisory Committee. His scholarly works are published in academic journals and books.

Dr. Castberg has been actively engaged in civil defense activities as a current member of the Civil Defense Advisory Council. He has demonstrated time and again the qualities desired in those community representatives who give selflessly of their time to serve on boards and commissions.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3542 Transportation and Government Operations on Gov. Msg. No. 360

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 360 DAVID RAY MARSHALL, for a term to expire 6-30-2010

Your Committee received testimony in support of the nominee from the Department of Transportation and the Commission on Transportation.

DAVID RAY MARSHALL is a reappointment to the Commission on Transportation, representing East Hawaii. He received a B.S. degree in Aeronautical Operations from the San Jose State University. He has a background in contracts administration, database engineer, flight simulation, frame maker, integration engineer, technical writer, test engineer, and systems engineer. He has worked for Abbott Laboratories, PSP Information Systems, Boeing Aerospace, Boeing Computer Services, Computer Technology Associates, Systems Development Corporation, and General Electric. The nominee was awarded a Certificate of Achievement in Technical Communication and has completed registered nursing classes.

Mr. Marshall's background and career in engineering communications, systems analysis, and technical translation makes him especially valuable to the Commission on Transportation. As a technical translator, he is able to communicate complex engineering concepts to the layperson and to express the public's concerns to engineers.

Your Committee notes his personal statement that he has provided information to the Transportation Commission on aeronautical matters concerning airport planning, including ground transportation, parking, airport vendor relations, security, public outreach, financial review, and operations. He also has experience in addressing ferry and mass transit issues.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3543 Transportation and Government Operations on Gov. Msg. No. 333

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 333 JOHN T. KAIZUKA, for a term to expire 6-30-2009

Your Committee received testimony in support of the nominee from the Department of Transportation and Keiki Injury Prevention Coalition.

JOHN T. KAIZUKA is a reappointment to the State Highway Safety Council. He has been a Public Health Educator IV for the State Department of Health for Health Promotion and Education in the Hawaii District Health Office since 1995. He received a B.S. degree in Human Development and an M.P.H. degree in Health Education, Planning and Policy Development from the University of Hawaii. The nominee received the Community Service Award (2004-2005) from the Region IX National Highway Traffic Safety Administration, U.S. Department of Transportation. He is a Certified Child Passenger Safety Technician-Instructor, and is currently a member of the Keiki Injury Prevention Coalition, Hawaii County Safety Council, and the Impaired Driving Task Force. The nominee has a background in serving in various capacities on state and county entities on matters of public health and safety, which entail expertise in program planning such as disease prevention, homelessness, and aging.

Mr. Kaizuka has been part of the North Hawaii Outcomes Project's Motor Vehicle Crash Team, which reviews crash data to develop intervention strategies to reduce crashes. The preliminary data and recommendations were recently made available to the Mayor of Hawaii. He has also been a strong advocate for the use of seat belts and child passenger restraint seats.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 3544 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.R. No. 10

The purpose of this measure is to request the Department of Land and Natural Resources to dedicate a berthing area in each county where non-profit organizations can moor their voyaging canoes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Polynesian Voyaging Society and eight individuals.

Your Committees find that the non-profit organizations and the public educational institutions that promote the traditions of the Hawaiian culture through voyaging canoes should not be charged mooring fees by the State. This measure will request that the Department of Land and Natural Resources designate areas where such voyaging canoes may moor without being assessed a fee.

Your Committees have amended this measure to give flexibility to the counties to dedicate more than one berthing area in each county.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 10, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 10, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3545 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.C.R. No. 23

The purpose of this measure is to request the Department of Land and Natural Resources to dedicate a berthing area in each county where non-profit organizations can moor their voyaging canoes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Polynesian Voyaging Society and eight individuals.

Your Committees find that the non-profit organizations and the public educational institutions that promote the traditions of the Hawaiian culture through voyaging canoes should not be charged mooring fees by the State. This measure will request that the Department of Land and Natural Resources designate areas where such voyaging canoes may moor without being assessed a fee.

Your Committees have amended this measure to give flexibility to the counties to dedicate more than one berthing area in each county.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 23, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3546 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.R. No. 75

The purpose of this measure is to request the Department of Public Safety and the Department of Agriculture to conduct a feasibility study on selling the land under the Oahu Community Correctional Center (OCCC) and moving the facility to the site of the Animal Quarantine Center in Halawa or to adjacent state land near Halawa Correctional Center.

Your Committees received testimony in opposition to this measure from the Department of Public Safety and the Department of Agriculture.

Your Committees find that Hawaii's prison system is bursting at the seams with a swelling inmate population, resulting in the imposition of inmate transfers to mainland prisons in order to control an otherwise extreme over-capacity. Additionally, OCCC is sited on land that has been described as being highly valued and a possible attractive investment opportunity. The Animal Quarantine Center is used far less than formerly as a result of the popular five-day rabies quarantine program initiated in June 2003. Therefore, a study is needed to determine the best use of the land under OCCC and the land under the Animal Quarantine Center in Halawa, and whether OCCC could be moved to the site of the Animal Quarantine Center or state land adjacent to Halawa Correction Center.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 75 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3547 Judiciary and Hawaiian Affairs on S.C.R. No. 9

The purpose of this measure is to urge the county and state governmental bodies of the State of Hawaii to give consideration to the importance of the cultural perpetuation of rural Hawaiian communities.

Your Committee received testimony in support of this measure from two individuals.

Your Committee finds that isolated and undeveloped rural communities in which traditional subsistence livelihoods are practiced through applying cultural customs, beliefs, and practice are of great importance to the perpetuation of the Hawaiian people and the Hawaiian culture. These areas are worthy of consideration as cultural heritage treasures of the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3548 Judiciary and Hawaiian Affairs on S.C.R. No. 87

The purpose of this measure is to convene a task force to examine the implementation of an automated victim notification system.

Your Committee received testimony in support of this measure from the Department of the Attorney General (Attorney General) and the Department of the Prosecuting Attorney for the City and County of Honolulu (Prosecuting Attorney). The Hawaii State Coalition Against Domestic Violence submitted comments on this measure.

Your Committee finds that the Attorney General and Prosecuting Attorney have researched and created a pilot project for an automated notification system. This measure will allow all interested parties in the pilot project to examine the implementation of the project and work together to prepare a plan for its implementation and expansion.

Your Committee notes that the portion of the resolution allowing the task force to conduct any other business deemed necessary to carry out the purpose of the resolution is intended to afford that task force latitude to include or call upon other resource persons to assist in the task force's efforts.

Your Committee has amended this measure to:

- (1) Add the following members to the task force:
 - (a) A crime victim selected by the Governor from a list provided by the Attorney General, which will replace the member of the public;
 - (b) A representative from Mothers Against Drunk Driving; and
 - (c) A representative from the Crime Victim Compensation Commission;
- (2) Add, to the mission of the task force, reviewing the current victim notification provisions in the Hawaii Revised Statutes in accordance with testimony submitted by the Prosecuting Attorney; and
- (3) Change the reference to a commissioner from each county's police department to the chief of police, in accordance with testimony from the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3549 Judiciary and Hawaiian Affairs on S.C.R. No. 89

The purpose of this measure is to convene a task force to examine the issue of changes to the Hawaii Penal Code for the sentencing of repeat offenders.

Your Committee received testimony in support of this measure from the Department of the Attorney General (Attorney General) and the Department of the Prosecuting Attorney for the City and County of Honolulu.

During the 2006 Regular Session, a measure was introduced which sought to:

- (1) Expand the types of offenses subject to higher maximum terms for repeat offenders;
- (2) Change the method of calculating the period of eligibility of repeat offender sentencing; and
- (3) Add twenty class B and class C felonies to the list of offenses for which a deferred acceptance of plea (DAG or DANC) is not permitted.

Your Committee finds that these proposed changes to the Hawaii Penal Code may have serious implications and that such significant changes require further in-depth review and examination through a task force study.

Your Committee has amended this measure in accordance with the testimony received from the Attorney General to explicitly state that this resolution does not require the task force to examine Hawaii's three strikes law. The Attorney General wished to make clear that this resolution is not to be used to "backdoor" any additional amendments to the three strikes law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3550 Judiciary and Hawaiian Affairs on S.C.R. No. 91

The purpose of this measure is to establish a task force to examine the backlog in unserved arrest warrants.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu (Prosecuting Attorney), the Honolulu Police Department, and Mothers Against Drunk Driving.

Your Committee finds that the State has an estimated backlog of 76,881 arrest warrants that remain unserved. These unserved arrest warrants include traffic, felony, and misdemeanor warrants. These unserved warrants are costing the State a potential of \$20,000,000 in unpaid fines and fees and create a public safety concern. While there are many factors that contribute to the backlog, a permanent solution must be found to ensure that the backlog can be cleared and that warrants are served in a timely manner in the future.

Your Committee has amended this measure in accordance with the testimony from the Prosecuting Attorney to change the reference from a commissioner of each county's police department to the county's chief of police.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 3551 (Joint) Judiciary and Hawaiian Affairs and Intergovernmental Affairs on S.C.R. No. 94

The purpose of this measure is to establish a task force to examine the issue of the discretionary function exception for the state and counties.

Your Committees received testimony in support of this measure from the Department of the Attorney General (Attorney General), the Department of Transportation, and the Department of the Corporation Counsel for the City and County of Honolulu. Consumer Lawyers of Hawaii submitted testimony in opposition to the measure.

Your Committees find that clarification is needed to determine whether the discretionary function exception under state law requires the State and counties to have the same protection from liability that the United States is afforded under federal law.

Your Committees have amended this measure in accordance with the testimony of Consumer Lawyers of Hawaii and based upon discussions held during the hearing to change the composition of the task force's membership to:

- (1) The Attorney General or the Attorney General's designee;
- (2) A member from each county's executive branch;
- (3) One member of the Hawaii State Judiciary;
- (4) One faculty member from the University of Hawaii, William S. Richardson School of Law;
- (5) One member of the Hawaii State Bar Association who is primarily engaged in representing plaintiffs in cases against the State or counties, to be chosen by the president of the Hawaii State Bar Association;
- (6) One member from Consumer Lawyers of Hawaii;

- (7) One member from the Association of Trial Lawyers of America;
- (8) One member from the Hawaii Government Employees Association; and
- (9) One member from United Public Workers.

Your Committees note the request of the Attorney General that the scope of the task force's mission be expanded; however, based upon the complexity of the issues and the time limitations, your Committees believe it is best to retain the task force's mission as originally drafted.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 94, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, Hee, Ihara, Inouye, Nishihara).

SCRep. 3552 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.C.R. No. 125

The purpose of this measure is to request the Department of Public Safety and the Department of Agriculture to conduct a feasibility study on selling the land under the Oahu Community Correctional Center (OCCC) and moving the facility to the site of the Animal Quarantine Center in Halawa or to adjacent state land near Halawa Correctional Center.

Your Committees received testimony in opposition to this measure from the Department of Public Safety and the Department of Agriculture.

Your Committees find that Hawaii's prison system is bursting at the seams with a swelling inmate population, resulting in the imposition of inmate transfers to mainland prisons in order to control an otherwise extreme over-capacity. Additionally, OCCC is sited on land that has been described as being highly valued and a possible attractive investment opportunity. The Animal Quarantine Center is used far less than formerly as a result of the popular five-day rabies quarantine program initiated in June 2003. Therefore, a study is needed to determine the best use of the land under OCCC and the land under the Animal Quarantine Center in Halawa, and whether OCCC could be moved to the site of the Animal Quarantine Center or state land adjacent to Halawa Correction Center.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 125 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 3553 Judiciary and Hawaiian Affairs on S.C.R. No. 216

The purpose of this measure is to create a legislative task force to make recommendations for statutory enactment to enhance transparency in legislative proceedings.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii.

Your Committee finds that transparency is important to public understanding of how government works.

Your Committee notes that this measure merely requests that S.B. 1062, Regular Session of 2005, be discussed but that no other action on that particular measure is required.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 216 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 3554 (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 150

The purpose of this measure is to urge the Insurance Commissioner to convene a task force to study issues related to the physician on-call crisis.

Specifically, the task force is asked to:

- (1) Examine provider reimbursement versus cost of care issues as they relate to the physician on-call crisis; and
- (2) Gather relevant information, discuss possible solutions, and develop recommendations related to the physician on-call crisis.

Testimony in support of this measure was submitted by Healthcare Association of Hawaii, Hawaii Pacific Health, Kaiser Permanente, and Hawaii Health Systems Corporation. The Insurance Commissioner, on behalf of the Department of Commerce and Consumer Affairs, submitted testimony in opposition to this measure.

Two recent reports, "The National Report Card on the State of Emergency Medicine" published by the American College of Emergency Physicians and "On-Call Crisis in Trauma Care: Government Responses" published by the Legislative Reference Bureau, highlight the serious challenges facing emergency health care systems, including the crisis of securing physicians for emergency, on-call care. Your Committees find that this on-call physician crisis must be addressed in order to ensure the integrity of emergency and trauma care in Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 150 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Espero, Hanabusa, Hogue).

SCRep. 3555 Education and Military Affairs on S.C.R. No. 173

The purpose of this measure is to request that the Department of Education determine a set of indicators in order to evaluate effects of Act 51 implementation.

Your Committee received testimony in support of the intent of this measure from the Department of Education.

Your Committee finds that it is in the interest of all involved to monitor the changes occurring throughout the educational system since the implementation of Act 51. Your Committee further finds that Act 51 already requires that the Department conduct track reporting, and it is a matter of determining which indicators to capture and memorialize from those reports that will result in the collection of quality, informative data over time.

Your Committee has amended this measure by emphasizing that it is sound educational policy for the Department to establish and maintain a data warehouse to store and track information over time, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 173, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3556 Education and Military Affairs on S.R. No. 117

The purpose of this measure is to request that the Department of Education determine a set of indicators in order to evaluate effects of Act 51 implementation.

Your Committee received testimony in support of the intent of this measure from the Department of Education.

Your Committee finds that it is in the interest of all involved to monitor the changes occurring throughout the educational system since the implementation of Act 51. Your Committee further finds that Act 51 already requires that the Department conduct track reporting, and it is a matter of determining which indicators to capture and memorialize from those reports that will result in the collection of quality, informative data over time.

Your Committee has amended this measure by emphasizing that it is sound educational policy for the Department to establish and maintain a data warehouse to store and track information over time, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 117, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3557 (Joint) Education and Military Affairs and Human Services on S.C.R. No. 50

The purpose of this measure is to request that the Department of Education assist in the development of community-based youth programs on the Big Island.

Your Committees received testimony in support of this measure from the Hawaii Youth Services Network and seventeen individuals. Comments in support of the intent of this measure were received from the Department of Education.

Your Committees find that some school-level programs that have been supported in the past include the Hamakua Coast Drug Free Bashes and the Kalaniana'ole Elementary and Intermediate School Student Body Government Leadership Camp. Your Committees

further find that many student testifiers acknowledged that these school and community-based youth programs provided them with opportunities for varied learning experiences, personal development, and community participation, and that they were immensely benefited from them as a result.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 50 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 3558 (Joint) Education and Military Affairs and Human Services on S.R. No. 31

The purpose of this measure is to request that the Department of Education assist in the development of community-based youth programs on the Big Island.

Your Committees received testimony in support of this measure from the Hawaii Youth Services Network and seventeen individuals. Comments in support of the intent of this measure were received from the Department of Education.

Your Committees find that some school-level programs that have been supported in the past include the Hamakua Coast Drug Free Bashes and the Kalaniana'ole Elementary and Intermediate School Student Body Government Leadership Camp. Your Committees further find that many student testifiers acknowledged that these school and community-based youth programs provided them with opportunities for varied learning experiences, personal development, and community participation, and that they were immensely benefited from them as a result.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 31 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hogue).

SCRep. 3559 (Joint) Health and Higher Education on S.C.R. No. 138

The purpose of this measure is to encourage men to enter the field of nursing.

Your Committees received testimony in support of this measure from the Hawaii State Center for Nursing and the University of Hawaii at Manoa School of Nursing and Dental Hygiene.

Your Committees find that male nurses comprise only 6.5 percent of the nursing workforce in Hawaii. Your Committees further find that Hawaii's nursing shortage needs to be addressed and that supporting promotional efforts that will encourage men to enter the nursing field may help to improve this shortage.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 138 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3560 (Joint) Health and Higher Education on S.R. No. 85

The purpose of this measure is to encourage men to enter the field of nursing.

Your Committees received testimony in support of this measure from the Hawaii State Center for Nursing and the University of Hawaii at Manoa School of Nursing and Dental Hygiene.

Your Committees find that male nurses comprise only 6.5 percent of the nursing workforce in Hawaii. Your Committees further find that Hawaii's nursing shortage needs to be addressed and that supporting promotional efforts that will encourage men to enter the nursing field may help to improve this shortage.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 85 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3561 Higher Education on S.R. No. 141

The purpose of this measure is to request the University of Hawaii to create a four-year degree program within the discipline of historic preservation at the University of Hawaii at Manoa.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that over two dozen historic preservation programs are currently functioning across the United States, setting both the capability and the precedent for such a program in Hawaii. Your Committee further finds that a bachelor's degree program in historic preservation, with emphasis on real-life case studies in Hawaii, would reinforce preservation efforts based on conservation-focused education and action. The Department of Land and Natural Resources stands ready to provide internships with hands-on training to assist in this effort.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 141 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3562 Higher Education on S.C.R. No. 85

The purpose of this measure is to request the Auditor to review the University of Hawaii Board of Regents' policy on conflict of interest, and recommend whether the Regents should have their financial disclosure statements, required under section 84-17, Hawaii Revised Statutes, be made available for review by the public.

Testimony in support of the measure was submitted by three individuals. The University of Hawaii opposed the measure.

Your Committee finds that although individual Regents may have recused themselves from decision-making because of conflicts of interest, the public is unable to determine whether other conflicts of interest may have existed when decisions were made. Mere recusal does not resolve the issue of conflict in a satisfactory manner. Accordingly, your Committee finds that the Board of Regents should not be less accountable than senior officials of the University. Your Committee further finds that public disclosure of the financial statements of individual Regents would be consistent with the statutory requirement currently applied to members of the Board of Education and the trustees of the Office of Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3563 Higher Education on S.C.R. No. 97

The purpose of this measure is to request the Auditor to conduct a management audit of the University of Hawaii at Manoa's Student Housing Services department.

Testimony in support of the measure was received from the Associated Students of the University of Hawaii, over fifty students from the University of Hawaii at Manoa, and the American Civil Liberties Union of Hawaii. The University of Hawaii at Manoa Interim Chancellor provided information.

Your Committee believes that student housing is an integral part of the university experience. Student housing not only provides affordable access for non-residents, but serves an important and vital role in providing local residents with access to higher education. Of the 2,700 student housing residents surveyed by the University of Hawaii at Manoa Student Housing Services, twenty-four percent come from the neighbor islands and nearly twenty percent are from Oahu. Student housing should provide a variety of learning-centered residential communities where residents feel safe and supported, are treated fairly, and can enjoy an environment that supports academic success.

Your Committee heard testimony from current and former student housing residents. One student testified that she had been sexually harassed by University of Hawaii at Manoa privately-contracted security guards while in the dormitory parking area. One former Resident Advisor testified that a supervisor rented out dorm rooms during the summer to ineligible students in violation of the Housing Policy on subletting, that the supervisor was embezzling funds from the Resident Hall Association for personal use, and that the supervisor had threatened residents with bodily harm.

Furthermore, several students testified that Student Housing charges a mandatory fee, called the Resident Hall Association Dues, to residents prior to room check-in, but they believe the fee is imposed in violation of Board of Regents policy. As listed under the Student Affairs section, the two objectives of the student housing program are to "uniquely characterize student housing as both an educational program and an administrative function that is managed in accordance with the highest operational, personnel and fiscal standards." These objectives are clearly stated and there is *no* reference made to the establishment of the Residence Hall Association, required membership, or mandatory fee associated with the organization. Regarding student housing activities, the Board of Regents policy states that "the student housing rate structure is intended to cover all operating costs including debt service and the costs of providing an educationally-oriented student life experience."

In addition, several students testified with regard to Student Housing officials violating their right to free speech by confiscating 3,000 letters the Associated Students of the University of Hawaii planned to send to housing residents. Students also testified about specific disciplinary cases against them and the delays in getting an appeal to housing officials' actions, causing extended displacement from their dorm and affecting their academics. One former resident cited the lack of attention and resolution in addressing an infestation of bed bugs that occurred in her dorm room, causing her to sleep on the dining table. One student testified she was the victim of retaliation by the housing staff after she reported the housing staff for not enforcing housing policies. The President of the

Inter-Resident Hall Association as well as a former Resident Advisor testified that Resident Advisors lack sufficient training to perform their duties well. For example, the former Resident Advisor was required to identify the smell of marijuana, yet the training did not indicate what marijuana smells like. Housing officials affirmed that the training provided to housing staff is not from a certified or established training program.

Two Resident Advisors testified that not all students are unhappy, but that their jobs can be difficult given the peer environment they work in and the rules they must enforce.

Your Committee finds that the University of Hawaii at Manoa Interim Chancellor acknowledged the many issues faced by students and Student Housing Services and is committed to improving the quality of residential life for students at Mānoa. The Interim Chancellor indicated a variety of steps have been implemented to improve resident conditions, including, but not limited to:

- (1) Conducting a national search for a new University of Hawaii at Manoa Vice Chancellor of Students and a new University of Hawaii at Manoa Director of Student Housing;
- (2) Retaining the Association of College and University Housing Officers – International to conduct a comprehensive external review to learn what dimensions of University of Hawaii at Manoa’s housing program are strongest, and what need to be improved, from the students’ perspective;
- (3) Retaining national experts in student housing affairs to examine a number of functional areas of University of Hawaii at Manoa’s Student Housing operations, including business management practices, educational programs, physical facilities, property management, food service, and staff qualifications;
- (4) Committing to spend \$1,500,000 for repairs and maintenance to address areas of immediate need over this coming summer;
- (5) Assigning the new University Ombudsman to mediate problems between the Associated Students of the University of Hawaii, the Student Resident Assistants, and the housing staff;
- (6) Convening a Chancellor’s Task Force on Student Conduct, to include student representatives, to define the process for settling conflicts;
- (7) Working in cooperation with the Associated Students of the University of Hawaii, to develop and deploy a more detailed survey of residents of Housing to gain an even more intimate understanding of the issues; and
- (8) Establishing a Student Housing Advisory Board that will include student representation and faculty with expertise helpful in improving the management of student housing.

Notwithstanding the efforts of the Interim Chancellor, your Committee is concerned about the seriousness of the allegations raised by the students, especially as they relate to health, safety, and due process, and to what appears to be a lack of administrative leadership. In fact, the Interim Chancellor stated in her testimony, “[t]he [Student Housing Services] organizational structure has long been isolated from upper campus. Within Housing, the organization is fragmented. Lacking a permanent director, or vice chancellor is challenging.” Your Committee recognizes that housing staff have a difficult task and that they are committed to doing a good job. However, without adequate and stable leadership, University of Hawaii at Manoa Student Housing Services will continue to raise concerns. Therefore, your Committee believes that adoption of this measure will complement the Interim Chancellor’s efforts.

Your Committee has amended this measure by:

- (1) Noting that the Associated Students of the University of Hawaii has unsuccessfully attempted to resolve the timeliness of the University’s response to students complaints and appeals; and
- (2) Clarifying that sexual harassment of a female student had occurred by privately contracted security guards.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Inouye).

SCRep. 3564 Higher Education on S.C.R. No. 211

The purpose of this measure is to request the University of Hawaii to create a four-year degree program within the discipline of historic preservation at the University of Hawaii at Manoa.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that over two dozen historic preservation programs are currently functioning across the United States, setting both the capability and the precedent for such a program in Hawaii. Your Committee further finds that a bachelor’s degree program in historic preservation, with emphasis on real-life case studies in Hawaii, would reinforce preservation efforts based on conservation-

focused education and action. The Department of Land and Natural Resources stands ready to provide internships with hands-on training to assist in this effort.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 211 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3565 Energy, Environment, and International Affairs on S.C.R. No. 40

The purpose of this measure is to request the Adjutant General of the Hawaii National Guard to provide health screening for depleted uranium exposure to members and veterans of the armed forces and to report on the scope and adequacy of depleted uranium storage and disposal in Hawaii.

The Chamber of Commerce of Hawaii, the Vietnam Veterans of Maui County, Maui Peace Action, Americans for Democratic Action Hawaii Chapter, Life of the Land, and thirteen individuals submitted testimony in support of this measure. The State Adjutant General submitted testimony in opposition.

Depleted uranium is a waste byproduct of the enrichment of natural uranium for use in nuclear reactors and nuclear weapons. According to the testimony, the United States Department of Defense has used depleted uranium for many years for a variety of military applications, including armor-piercing shells, bomb casings, missiles, tank armor plating, aircraft ballast, and anti-personnel mines. The chemical and radiological toxicity of depleted uranium has been reported to cause kidney dysfunction, damage to lung cells, neurological disorders, liver infection, and high miscarriage rates among military personnel who have been exposed to depleted uranium munitions.

Your Committee finds that the Adjutant General of the Hawaii National Guard should assist any member or veteran of the armed forces who returns after service in a designated combat zone to obtain a health screening test for exposure to depleted uranium to help protect the health of our service members.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3566 Energy, Environment, and International Affairs on S.R. No. 21

The purpose of this measure is to request the Adjutant General of the Hawaii National Guard to provide health screening for depleted uranium exposure to members and veterans of the armed forces and to report on the scope and adequacy of depleted uranium storage and disposal in Hawaii.

The Chamber of Commerce of Hawaii, the Vietnam Veterans of Maui County, Maui Peace Action, Americans for Democratic Action Hawaii Chapter, Life of the Land, and thirteen individuals submitted testimony in support of this measure. The State Adjutant General submitted testimony in opposition.

Depleted uranium is a waste byproduct of the enrichment of natural uranium for use in nuclear reactors and nuclear weapons. According to the testimony, the United States Department of Defense has used depleted uranium for many years for a variety of military applications, including armor-piercing shells, bomb casings, missiles, tank armor plating, aircraft ballast, and anti-personnel mines. The chemical and radiological toxicity of depleted uranium has been reported to cause kidney dysfunction, damage to lung cells, neurological disorders, liver infection, and high miscarriage rates among military personnel who have been exposed to depleted uranium munitions.

Your Committee finds that the Adjutant General of the Hawaii National Guard should assist any member or veteran of the armed forces who returns after service in a designated combat zone to obtain a health screening test for exposure to depleted uranium to help protect the health of our service members.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3567 Energy, Environment, and International Affairs on S.C.R. No. 233

The purpose of this measure is to request the military to map and monitor all munitions dumpsites off Hawaiian shores.

Maui Peace Action submitted testimony in support of this measure.

The United States military has confirmed that vast quantities of chemical weapons were dumped off Hawaiian shores in at least three major events in 1944 and 1945. The United States Congress has since banned the practice of chemical weapons dumping. The

effect of the dumping apparently has not been studied, and it is uncertain exactly where the dumped weapons are located. Some munitions may have been dumped in water so deep that removal may be impossible and continuous monitoring is needed to protect public safety.

Your Committee finds that the military should take efforts to prevent the public's accidental exposure to contaminants by mapping and monitoring all dumpsites off Hawaiian shores, clearly marking these dumpsites on all marine navigation maps, and releasing the location of the dumpsites to the public and media. In addition, the military should be requested to conduct an assessment to determine the extent of any potential public health risks associated with the dumpsites.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 233 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3568 Business and Economic Development on S.C.R. No. 182

The purpose of this measure is to express legislative support for the efforts that the Hawaii Athletic Trainers' Association and the National Athletic Trainers' Association continue to make in school athletics.

Your Committee received testimony in support of the measure from the Department of Education.

The National Athletic Trainers' Association and the Hawaii Athletic Trainers' Association strive to keep up with the latest treatment techniques, research, and technological advancements to provide athletic fitness, education, and training to student athletes in school. Certified athletic trainers provide injury prevention, evaluation, treatment, rehabilitation, health care administration, education, and guidance. Currently, the Department of Education is the largest employer of certified athletic trainers in the State. Last year these athletic trainers provided athletic practice and game coverage for 23,636 student-athletes throughout Hawaii.

Your Committee finds that legislative support is needed to commend the Hawaii Athletic Trainers' Association and the National Athletic Trainers' Association for promoting the profession of athletic training in Hawaii. The popularity of and the participation in organized school sports continues to increase, and more certified athletic trainers are needed to provide injury treatment, prevention, and rehabilitation. Additionally, as the number of organized intermediate-level teams increases, and certified athletic trainers are needed in intermediate schools to cover athletic practice and game events.

Your Committee has amended this measure by making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 182, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 182, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3569 Business and Economic Development on S.R. No. 123

The purpose of this measure is to express legislative support for the efforts that the Hawaii Athletic Trainers' Association and the National Athletic Trainers' Association continue to make in school athletics.

Your Committee received testimony in support of the measure from the Department of Education.

The National Athletic Trainers' Association and the Hawaii Athletic Trainers' Association strive to keep up with the latest treatment techniques, research, and technological advancements to provide athletic fitness, education, and training to student athletes in school. Certified athletic trainers provide injury prevention, evaluation, treatment, rehabilitation, health care administration, education, and guidance. Currently, the Department of Education is the largest employer of certified athletic trainers in the State. Last year these athletic trainers provided athletic practice and game coverage for 23,636 student-athletes throughout Hawaii.

Your Committee finds that legislative support is needed to commend the Hawaii Athletic Trainers' Association and the National Athletic Trainers' Association for promoting the profession of athletic training in Hawaii. The popularity of and the participation in organized school sports continues to increase, and more certified athletic trainers are needed to provide injury treatment, prevention, and rehabilitation. Additionally, as the number of organized intermediate-level teams increases, and certified athletic trainers are needed in intermediate schools to cover athletic practice and game events.

Your Committee has amended this measure by making technical, nonsubstantive changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 123, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 123, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 3570 Health on S.C.R. No. 140

The purpose of this measure is to request Leahi Hospital to develop a master plan and financial feasibility report for its existing campus that will take advantage of its unique location and relationships in east Honolulu.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation and one individual.

Your Committee finds that the existing campus of Leahi Hospital needs to be revitalized in order to achieve its vision as a Geriatric Center of Excellence. To achieve this goal the master plan and financial feasibility report, addressing all future on-campus construction, activities, and services, need to be completed.

Your Committee further finds that a study of this magnitude can be costly. Hawaii Health Systems Corporation submitted testimony requesting an appropriation in the amount \$150,000 to complete the plan and feasibility report requested by this measure. However, your Committee noted that funding cannot be appropriated by this measure.

Accordingly, your Committee has amended this measure by requesting that the Hawaii Health Systems Corporation pursue any needed resources in the Regular Session of 2007.

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. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3571 Health on S.R. No. 87

The purpose of this measure is to request Leahi Hospital to develop a master plan and financial feasibility report for its existing campus that will take advantage of its unique location and relationships in east Honolulu.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation and one individual.

Your Committee finds that the existing campus of Leahi Hospital needs to be revitalized in order to achieve its vision as a Geriatric Center of Excellence. To achieve this goal the master plan and financial feasibility report, addressing all future on-campus construction, activities, and services, need to be completed.

Your Committee further finds that a study of this magnitude can be costly. Hawaii Health Systems Corporation submitted testimony requesting an appropriation in the amount \$150,000 to complete the plan and feasibility report requested by this measure. However, your Committee noted that funding cannot be appropriated by this measure.

Accordingly, your Committee has amended this measure by requesting that the Hawaii Health Systems Corporation pursue any needed resources in the Regular Session of 2007.

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. 87, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 87, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3572 Intergovernmental Affairs on S.C.R. No. 141

The purpose of this measure is to request the City and County of Honolulu to maintain the current zoning of a one hundred and seventy-two acre parcel of real property in Royal Kunia for the establishment of a park, golf course, or continued use as open space.

The Royal Kunia Board of Directors' Government Affairs Committee and eleven individuals submitted testimony in support of this measure. Central Oahu Associates submitted testimony in opposition.

According to the testimony, homeowners adjacent to the parcel of real property in question purchased their homes with the understanding that the parcel would be a golf course or other open space. The parcel of real property in question is currently zoned as part of a P-2 general preservation district under the City and County of Honolulu zoning code. The intent of such a designation is to preserve the land as visual relief and contrast to the city's built environment or to serve as outdoor space for the public's use and enjoyment.

Your Committee finds that the current zoning designation should be maintained to preserve the parcel's intended use as a park, golf course, or other suitable open space.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 141 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3573 Intergovernmental Affairs on S.R. No. 88

The purpose of this measure is to request the City and County of Honolulu to maintain the current zoning of a one hundred and seventy-two acre parcel of real property in Royal Kunia for the establishment of a park, golf course, or continued use as open space.

The Royal Kunia Board of Directors' Government Affairs Committee and eleven individuals submitted testimony in support of this measure. Central Oahu Associates submitted testimony in opposition.

According to the testimony, homeowners adjacent to the parcel of real property in question purchased their homes with the understanding that the parcel would be a golf course or other open space. The parcel of real property in question is currently zoned as part of a P-2 general preservation district under the City and County of Honolulu zoning code. The intent of such a designation is to preserve the land as visual relief and contrast to the city's built environment or to serve as outdoor space for the public's use and enjoyment.

Your Committee finds that the current zoning designation should be maintained to preserve the parcel's intended use as a park, golf course, or other suitable open space.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 88 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3574 Health on S.C.R. No. 117

The purpose of this measure is to request the Department of Health to convene a task force to evaluate and recommend possible statutory and public policy changes to decrease the census at Hawaii State Hospital and enhance community-based health services for forensic patients.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center, the Hawaii Government Employees Association, the Hawaii Psychiatric Medical Association, ILWU Local 142, the National Association of Social Workers, Mental Health Kokua, and two individuals. The Legislative Reference Bureau submitted comments in response to this measure. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that a task force needs to be established to evaluate procedural, statutory, and policy changes that may be necessary to effectuate a decreased population at the Hawaii State Hospital and to improve the level of supervision, monitoring, or treatment necessary to ensure the safety of individuals with mental illness and the public.

Your Committee has amended this measure by expanding the evaluation conducted by the task force to include procedural changes, as well as statutory and public policy changes.

Your Committee has also amended this measure in response to the testimony submitted by the Department of Health by:

- (1) Eliminating the statistical and quality of care language;
- (2) Requesting that the monthly meetings begin in August of 2006 and go through November 2007; and
- (3) Changing the report to the 2007 session to a progress report and extending the final reporting date to the Regular Session of 2008.

Your Committee has additionally amended this measure by specifying that the Department of Health, in conjunction with the Department of the Attorney General, is requested to provide the administrative and staff support necessary to fulfill the purpose and duties of the task force.

Your Committee has further amended this measure by redefining the issues the task force is requested to consider in its evaluation, and by including forensic specialists and a representative from the Prosecutor's office, the Public Safety Division, and other organizations as identified by the co-chairs, to serve on the task force or to participate on an ad hoc basis.

Last, your Committee has amended this measure 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 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 Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3575 Health on S.R. No. 89

The purpose of this measure is to urge the development of a long-term care infrastructure plan for Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Human Services, the Hawaii Health Systems Corporation, and the Hawaii Long Term Care Association.

Your Committee finds that this measure will enable interested stakeholders to examine the challenges facing the State's aging population, review available services, analyze existing state and county laws and regulations, consider the current long-term care bed capacity and projections for future needs, and develop a comprehensive long-term care infrastructure plan to ensure public safety while supporting aging in place initiatives.

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. 89, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3576 Education and Military Affairs on S.C.R. No. 176

The purpose of this measure is to request that the Board and Department of Education make known the fees, if any, charged for regular and special education supplies and services, and to request that the Legislative Reference Bureau conduct a comparative study of such fees in Hawaii and elsewhere in the nation.

Your Committee received testimony in support of the intent of this measure from the Department of Education. Comments on this measure were received from the Legislative Reference Bureau (LRB).

Your Committee finds that it remains necessary to clarify for all stakeholders and the public in general exactly what the term "free appropriate public education" encompasses, and how the department meets those requirements at district, school, and individual levels.

Your Committee has amended this measure by:

- (1) Limiting the study to be conducted by the LRB to high school students;
- (2) Request that the Department of Education provide certain technical assistance to the LRB to conduct its study;
- (3) Clarify that the Department of Education shall also submit its findings to the Legislature before the convening of the Regular Session of 2007; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3577 (Joint) Education and Military Affairs and Energy, Environment, and International Affairs on S.C.R. No. 149

The purpose of this measure is to request that the Department of Education develop and implement a student and faculty exchange program with the Philippines.

Your Committees received testimony in support of this measure from the University of Hawaii System. Comments in support of the spirit of this measure were received from the Department of Education.

Your Committees find that although the Department has stated that it lacks the resources to develop and implement such a program at this time, in honor of the Hawaii Filipino Centennial, your Committees would pass this measure to have the Department of Education at least start investigating the feasibility of an exchange program.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 149 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hemmings, Hogue).

SCRep. 3578 (Joint) Education and Military Affairs and Energy, Environment, and International Affairs on S.R. No. 94

The purpose of this measure is to request that the Department of Education develop and implement a student and faculty exchange program with the Philippines.

Your Committees received testimony in support of this measure from the University of Hawaii System. Comments in support of the spirit of this measure were received from the Department of Education.

Your Committees find that although the Department has stated that it lacks the resources to develop and implement such a program at this time, in honor of the Hawaii Filipino Centennial, your Committees would pass this measure to have the Department of Education at least start investigating the feasibility of an exchange program.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 94 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Hemmings, Hogue).

SCRep. 3579 (Joint) Education and Military Affairs and Media, Arts, Science and Technology on S.R. No. 36

The purpose of this measure is to request that the Department of Education conduct an investigation into the feasibility of eBook implementation in the public schools, and to report its findings to the Legislature.

Your Committees received testimony in support of the intent of this measure from the Department of Education.

Your Committees find that the Department expressed in its testimony some concern regarding support and funding for an eBook pilot program in conjunction with a feasibility study. Your Committees further find that there is a great deal of research on eBook implementation in other states, and that a potential pilot program in Hawaii could include one or two classes from middle to high school in a subject that undergoes relatively rapid evolution, such as science.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 36 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, English, Hogue).

SCRep. 3580 (Joint) Education and Military Affairs and Media, Arts, Science and Technology on S.C.R. No. 57

The purpose of this measure is to request that the Department of Education conduct an investigation into the feasibility of eBook implementation in the public schools, and to report its findings to the Legislature.

Your Committees received testimony in support of the intent of this measure from the Department of Education.

Your Committees find that the Department expressed in its testimony some concern regarding support and funding for an eBook pilot program in conjunction with a feasibility study. Your Committees further find that there is a great deal of research on eBook implementation in other states, and that a potential pilot program in Hawaii could include one or two classes from middle to high school in a subject that undergoes relatively rapid evolution, such as science.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 57 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, English, Hogue).

SCRep. 3581 Commerce, Consumer Protection and Housing on S.C.R. No. 217

The purpose of this measure is to request the counties to adopt ordinances to participate in the National Flood Insurance Program Community Rating System to obtain monetary discounts in purchasing flood insurance.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors. No testimony in opposition was received by your Committee.

Your Committee finds that all the counties should participate in the Community Rating System of the National Flood Insurance Program. The Community Rating System is a voluntary program designed to encourage community floodplain management activities that exceed minimum National Flood Insurance Program standards. Currently, Maui county is the only county that participates in the Community Rating System. Your Committee further finds that Maui residents benefit from this participation with a five percent discount on policies for low to moderate flood risk areas and a ten percent discount for policies for high risk flood areas.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 217 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3582 Commerce, Consumer Protection and Housing on S.R. No. 147

The purpose of this measure is to request the counties to adopt ordinances to participate in the National Flood Insurance Program Community Rating System to obtain monetary discounts in purchasing flood insurance.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors. No testimony in opposition was received by your Committee.

Your Committee finds that all the counties should participate in the Community Rating System of the National Flood Insurance Program. The Community Rating System is a voluntary program designed to encourage community floodplain management activities that exceed minimum National Flood Insurance Program standards. Currently, Maui county is the only county that participates in the Community Rating System. Your Committee further finds that Maui residents benefit from this participation with a five percent discount on policies for low to moderate flood risk areas and a ten percent discount for policies for high risk flood areas.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing 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 Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3583 Commerce, Consumer Protection and Housing on H.C.R. No. 51

The purpose of this measure is to request the United States Department of Housing and Urban Development (HUD) to assist the residents of Palolo Valley Homes and the Mutual Housing Association of Hawaii, Inc., to expedite the privatization and renovation of one hundred eighteen units at Palolo Valley Homes.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH) and the Mutual Housing Association of Hawaii (MHAH).

Your Committee finds that MHAH has successfully acquired and renovated three hundred six state-owned public housing units in Palolo, but that the remaining one hundred eighteen federal units have remained in disrepair. With the cooperation of HUD, the privatization of Palolo Valley Homes can serve as a model for HCDCH in preserving and repairing its troubled public housing stock without displacing the residents living in the units.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3584 (Joint/Majority) Judiciary and Hawaiian Affairs and Intergovernmental Affairs on S.C.R. No. 202

The purpose of this measure is to request the Attorney General to analyze the existing law to identify any impediment to the Department of Taxation's implementation of the collection of the county general excise tax surcharge beginning January 1, 2007. This measure also requests the Department of Taxation to establish a plan to implement the administration and collection of the county surcharge on the general excise tax.

Your Committees received comments on this measure from the Attorney General.

Your Committees find that Act 247, Session Laws of Hawaii 2005 (Act 247), authorized the counties to establish a surcharge on the general excise tax to fund county mass transportation projects. Act 247 also authorized the Department of Transportation to administer and collect the county surcharge and retain ten percent of the surcharge for administrative purposes.

Your Committees further find that the Attorney General, as the State's legal officer, is the appropriate entity to analyze existing law to identify impediments to implementing the Department of Taxation's timely collection of the county surcharge. This analysis will enable the Legislature to take any necessary corrective action before the 2006 Regular Session is concluded.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 202 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 5 (Baker, Hee, Ihara, Inouye, Nishihara).

SCRep. 3585 Health on S.R. No. 136

The purpose of this measure is to request the Judiciary to establish an appropriate fee for court-ordered forensic evaluations and to provide copies of the examination reports to the Department of Health.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, and the Hawaii Disability Rights Center. The Judiciary submitted comments to this measure. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that requesting the Judiciary to establish appropriate fees for forensic evaluations and to provide the Department of Health with copies of these evaluation reports will streamline the forensic evaluation process for pretrial detainees.

Your Committee has amended this measure in response to the testimony submitted by the Department of Health by eliminating superfluous language.

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. 136, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 136, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3586 Health on S.C.R. No. 206

The purpose of this measure is to request the Judiciary to establish an appropriate fee for court-ordered forensic evaluations and to provide copies of the examination reports to the Department of Health.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, and the Hawaii Disability Rights Center. The Judiciary submitted comments to this measure. Your Committee received testimony in opposition to the measure from the Department of Health.

Your Committee finds that requesting the Judiciary to establish appropriate fees for forensic evaluations and to provide the Department of Health with copies of these evaluation reports will streamline the forensic evaluation process for pretrial detainees.

Your Committee has amended this measure in response to the testimony submitted by the Department of Health by eliminating superfluous language.

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. 206, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 206, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

SCRep. 3587 Human Services on S.C.R. No. 210

The purpose of this measure is to request the Department of Human Services to facilitate an audit of each agency that receives Head Start funding from the State.

Your Committee received testimony in support of the measure from one individual. The Department of Human Services submitted comments on this measure.

Your Committee finds that this measure requests the Department of Human Services to facilitate an examination of the state agencies receiving Head Start funding in order to ensure adequate policies and procedures and proper expenditures of state funds.

Your Committee has amended this measure by replacing its contents with provisions requesting the Department of Human Services, in conjunction with the Head Start Collaboration Office, the Department of Labor and Industrial Relations, and the Department of Health, to perform a management, operational, and financial review of Early Head Start and Head Start to determine resources and to identify ways to improve the effectiveness of services for eligible 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. 210, 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. 210, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3588 Human Services on S.R. No. 140

The purpose of this measure is to request the Department of Human Services to facilitate an audit of each agency that receives Head Start funding from the State.

Your Committee received testimony in support of the measure from one individual. The Department of Human Services submitted comments on this measure.

Your Committee finds that this measure requests the Department of Human Services to facilitate an examination of the state agencies receiving Head Start funding in order to ensure adequate policies and procedures and proper expenditures of state funds.

Your Committee has amended this measure by replacing its contents with provisions requesting the Department of Human Services, in conjunction with the Head Start Collaboration Office, the Department of Labor and Industrial Relations, and the Department of Health, to perform a management, operational, and financial review of Early Head Start and Head Start to determine resources and to identify ways to improve the effectiveness of services for eligible 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. 140, 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. 140, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3589 (Joint) Human Services and Labor on S.C.R. No. 13

The purpose of this measure is to request the governor to convene a work-family task force to examine Hawaii's family laws and policies and to request the Legislative Reference Bureau to study other states' laws and practices that promote good work-family policy.

Your Committees received testimony in support of the measure from the Executive Office on Aging and the Policy Advisory Board for Elder Affairs. Comments were received from the Legislative Reference Bureau.

Your Committees find that caregivers often are required to balance the demands of work, family, and caregiving responsibilities. The study requested in this measure will highlight programs and caregiver support currently available in Hawaii and present information regarding opportunities for service expansion or improvement as utilized in other states.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 13 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Kokubun, Taniguchi).

SCRep. 3590 (Joint) Human Services and Labor on S.R. No. 160

The purpose of this measure is to request the governor to convene a work-family task force to examine Hawaii's family laws and policies and to request the Legislative Reference Bureau to study other states' laws and practices that promote good work-family policy.

Your Committees received testimony in support of the measure from the Executive Office on Aging and the Policy Advisory Board for Elder Affairs. Comments were received from the Legislative Reference Bureau.

Your Committees find that caregivers often are required to balance the demands of work, family, and caregiving responsibilities. The study requested in this measure will highlight programs and caregiver support currently available in Hawaii and present information regarding opportunities for service expansion or improvement as utilized in other states.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 160 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Kokubun, Taniguchi).

SCRep. 3591 Human Services on S.C.R. No. 67

The purpose of this measure is to request the Department of Human Services to ensure that the current residential alternative community care program model is not dismantled with the proposed QUEST expanded access program.

Your Committee received testimony in support of the measure from the Case Management Council, Case Management Inc., Catholic Charities Hawaii, Miyata Reporting Services, the Adult Foster Home Association of Hawaii, and one hundred eighty-nine individuals. The Department of Human Services submitted testimony in opposition to this measure. Your Committee received comments on the measure from Evercare and Aloha Care.

Your Committee finds that this measure requests that the Department of Human Services perpetuate the current Residential Alternative Community Care program model, which is comprised of a licensed case management agency coupled with a community care foster family home.

Your Committee has amended this measure by adding provisions describing the Residential Alternatives Community Care Foster Family Homes Service Array, recognizing that case management agencies provide case management and service assessment functions,

and requesting the Department of Human Services, the Adult Foster Home Association, the Case Management Council, and other interested stakeholders to work together to clearly define the three distinct components of the Residential Alternatives Community Care Foster Family Homes Service Array and their mode of service delivery for inclusion in the Department's Request for Proposal regarding the QUEST Expanded Access 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 concurs with the intent and purpose of S.C.R. No. 67, 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. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3592 Human Services on S.R. No. 44

The purpose of this measure is to request the Department of Human Services to ensure that the current residential alternative community care program model is not dismantled with the proposed QUEST expanded access program.

Your Committee received testimony in support of the measure from the Case Management Council, Case Management Inc., Catholic Charities Hawaii, Miyata Reporting Services, the Adult Foster Home Association of Hawaii, and one hundred eighty-nine individuals. The Department of Human Services submitted testimony in opposition to this measure. Your Committee received comments on the measure from Evercare and Aloha Care.

Your Committee finds that this measure requests that the Department of Human Services perpetuate the current Residential Alternative Community Care program model, which is comprised of a licensed case management agency coupled with a community care foster family home.

Your Committee has amended this measure by adding provisions describing the Residential Alternatives Community Care Foster Family Homes Service Array, recognizing that case management agencies provide case management and service assessment functions, and requesting the Department of Human Services, the Adult Foster Home Association, the Case Management Council, and other interested stakeholders to work together to clearly define the three distinct components of the Residential Alternatives Community Care Foster Family Homes Service Array and their mode of service delivery for inclusion in the Department's Request for Proposal regarding the QUEST Expanded Access 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 concurs with the intent and purpose of S.R. No. 44, 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. 44, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3593 Transportation and Government Operations on S.C.R. No. 131

The purpose of this measure is to request the Office of Hawaiian Affairs to convene a task force to make recommendations on the appropriate lease rent for the Mauna Kea Summit Lands.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Mauna Kea Anaina Hou, and Sierra Club-Hawaii Chapter. Comments were submitted by the University of Hawaii System.

The Mauna Kea summit land is ceded land and part of the public land trust. The lease agreement dated June 21, 1968, for a term of sixty-five years, between the Department of Land and Natural Resources as lessor, and the University of Hawaii as lessee, for the lease of the Mauna Kea forest reserve does not provide for any lease rent amount. Instead of charging lease rent, the university reportedly requires each facility to provide a percentage of its observatory time to the University of Hawaii Institute for Astronomy.

Your Committee finds that a long-standing and genuine issue has arose as to the amount of lease rent that should be paid for use of the Mauna Kea Summit land. The Office of Hawaiian Affairs has the knowledge and resources to convene a task force to bring the interested parties together to confer and cooperate to reach a mutually agreeable solution to the issue.

Your Committee has amended this measure by adding the Royal Order of Kamehameha O Mamalahoa, Heiau Helu `Elua (the one not affiliated with the University of Hawaii), Mauna Kea Anaina Hou, and Sierra Club-Hawaii Chapter to the task force.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 131, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3594 Labor on S.C.R. No. 106

The purpose of this measure is to urge Hawaii employers to develop and implement standards of conduct and policies for managers and employees to reduce workplace bullying and promote healthful and safe work environments.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii Federation of Business and Professional Women, and two individuals.

Your Committee finds that the current law seeks to provide employees throughout the State with safe and healthful work environments. However, beyond membership in a protected class, certain employees are continually subjected without recourse to abusive work environments, where workplace bullying is a prevalent occurrence. Your Committee further finds that employers can provide safeguards for their employees that will not only protect the employees, but also ultimately result in increasing the success and prosperity of their businesses. This measure encourages employers within the State to develop and implement policies and standards of conduct aimed at reducing workplace bullying and creating healthful and safe working conditions for employees. Your Committee determines that a wealth of resources is currently available to assist employers in developing and implementing these policies and has amended the measure to provide guidance in this manner. Furthermore, in order to properly track and ascertain the necessity of future legislative action, your Committee also believes that a system must be established for recording and analyzing the effects of the implementation of these types of policies.

Accordingly, your Committee has amended this measure by:

- (1) Including information regarding resources for developing and implementing policies and standards of conduct to reduce workplace bullying;
- (2) Requesting employers who develop and implement policies to report such to the Department of Labor and Industrial Relations; and
- (3) Requesting the Department of Labor and Industrial Relations to report to the Legislature on the businesses that have developed and implemented policies regarding workplace bullying.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3595 Labor on S.R. No. 62

The purpose of this measure is to urge Hawaii employers to develop and implement standards of conduct and policies for managers and employees to reduce workplace bullying and promote healthful and safe work environments.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii Federation of Business and Professional Women, and three individuals.

Your Committee finds that the current law seeks to provide employees throughout the State with safe and healthful work environments. However, beyond membership in a protected class, certain employees are continually subjected without recourse to abusive work environments, where workplace bullying is a prevalent occurrence. Your Committee further finds that employers can provide safeguards for their employees that will not only protect the employees, but also ultimately result in increasing the success and prosperity of their businesses. This measure encourages employers within the State to develop and implement policies and standards of conduct aimed at reducing workplace bullying and creating healthful and safe working conditions for employees. Your Committee determines that a wealth of resources is currently available to assist employers in developing and implementing these policies and has amended the measure to provide guidance in this manner. Furthermore, in order to properly track and ascertain the necessity of future legislative action, your Committee also believes that a system must be established for recording and analyzing the effects of the implementation of these types of policies.

Accordingly, your Committee has amended this measure by:

- (1) Including information regarding resources for developing and implementing policies and standards of conduct to reduce workplace bullying;
- (2) Requesting employers who develop and implement policies to report such to the Department of Labor and Industrial Relations; and
- (3) Requesting the Department of Labor and Industrial Relations to report to the Legislature on the businesses that have developed and implemented policies regarding workplace bullying.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3596 (Joint) Labor and Intergovernmental Affairs on S.C.R. No. 49

The purpose of this measure is to request the Department of Labor and Industrial Relations to authorize the State Fire Council to employ an administrator and an administrative assistant.

Testimony in support of this measure was submitted by the State Fire Council, the Honolulu Fire Department, and the Fire Chief of the County of Hawaii Fire Department. Comments on the measure were submitted by the Department of Labor and Industrial Relations.

Your Committees find that the current structure of the State Fire Council often requires its members to take time away from their regular duties with the county fire departments to fulfill the duties of the Council. Your Committees further find that the current law does not authorize the employment of an administrator or other support staff for the Council. As a result, concerns have been raised regarding whether the duties of the Council can be adequately fulfilled without the establishment of additional positions to assist the Council. This measure raises several questions regarding the extent to which full-time, permanent positions are needed to aid the Council, the nature of the status of those positions, and the funds necessary to provide for the these positions. Your Committees believe that further examination of the Council, its duties, and requirements are needed to ascertain the proper course of action.

Accordingly, your Committees have amended this measure by:

- (1) Requesting DLIR to study the State Fire Council, including its duties, workload, and resources; and
- (2) Requesting DLIR to submit a report to the Legislature regarding its findings and recommendations, including budget proposals as necessary.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 49, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 49, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Inouye, Nishihara, Taniguchi).

SCRep. 3597 (Joint) Labor and Intergovernmental Affairs on S.R. No. 30

The purpose of this measure is to request the Department of Labor and Industrial Relations to authorize the State Fire Council to employ an administrator and an administrative assistant.

Testimony in support of this measure was submitted by the State Fire Council, the Honolulu Fire Department, and the Fire Chief of the County of Hawaii Fire Department. Comments on the measure were submitted by the Department of Labor and Industrial Relations.

Your Committees find that the current structure of the State Fire Council often requires its members to take time away from their regular duties with the county fire departments to fulfill the duties of the Council. Your Committees further find that the current law does not authorize the employment of an administrator or other support staff for the Council. As a result, concerns have been raised regarding whether the duties of the Council can be adequately fulfilled without the establishment of additional positions to assist the Council. This measure raises several questions regarding the extent to which full-time, permanent positions are needed to aid the Council, the nature of the status of those positions, and the funds necessary to provide for the these positions. Your Committees believe that further examination of the Council, its duties, and requirements are needed to ascertain the proper course of action.

Accordingly, your Committees have amended this measure by:

- (1) Requesting DLIR to study the State Fire Council, including its duties, workload, and resources; and
- (2) Requesting DLIR to submit a report to the Legislature regarding its findings and recommendations, including budget proposals as necessary.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 30, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 30, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (English, Inouye, Nishihara, Taniguchi).

SCRep. 3598 Education and Military Affairs on S.C.R. No. 75

The purpose of this measure is to request that the Department of Education (DOE) allow gifted and talented students to take online classes from accredited universities for credit toward DOE requirements.

Your Committee received testimony in support of this measure from one individual. Testimony supporting the intent of this measure was received from the DOE.

Your Committee finds that the Department of Education has existing procedures in place to earn distance learning credits online and through study at other accredited institutions, but that the DOE should make this information more widely available, including on its web site. Your Committee further finds that this measure should not be limited to gifted and talented students.

Your Committee has amended this measure by:

- (1) Requesting that the DOE make available on its web site information on the procedures through which a student may obtain credit approval for distance learning courses;
- (2) Eliminating the references to gifted and talented students to make the resolution more universally applicable; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3599 Education and Military Affairs on S.R. No. 49

The purpose of this measure is to request that the Department of Education (DOE) allow gifted and talented students to take online classes from accredited universities for credit toward DOE requirements.

Your Committee received testimony in support of this measure from one individual. Testimony supporting the intent of this measure was received from the DOE.

Your Committee finds that the Department of Education has existing procedures in place to earn distance learning credits online and through study at other accredited institutions, but that the DOE should make this information more widely available, including on its web site. Your Committee further finds that this measure should not be limited to gifted and talented students.

Your Committee has amended this measure by:

- (1) Requesting that the DOE make available on its web site information on the procedures through which a student may obtain credit approval for distance learning courses;
- (2) Eliminating the references to gifted and talented students to make the resolution more universally applicable; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Hogue).

SCRep. 3600 Transportation and Government Operations on S.C.R. No. 41

The purpose of this measure is to request the Department of Transportation and the Executive Office on Aging to collaborate on providing transportation to seniors and to visually impaired persons, and to express the Legislature's support for federal legislation to provide funding for the Independent Transportation Network for a five-year national roll-out and grants.

Your Committee received testimony in support of this measure from the Executive Office on Aging.

Your Committee finds that the elderly and visually impaired population need safe access to and from their activities of daily living. This basic transportation service can vastly improve the quality of life for these individuals by giving them access to doctors, shopping, family visits, and entertainment.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3601 Transportation and Government Operations on S.R. No. 22

The purpose of this measure is to request the Department of Transportation and the Executive Office on Aging to collaborate on providing transportation to seniors and to visually impaired persons, and to express the Legislature's support for federal legislation to provide funding for the Independent Transportation Network for a five-year national roll-out and grants.

Your Committee received testimony in support of this measure from the Executive Office on Aging.

Your Committee finds that the elderly and visually impaired population need safe access to and from their activities of daily living. This basic transportation service can vastly improve the quality of life for these individuals by giving them access to doctors, shopping, family visits, and entertainment.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3602 Transportation and Government Operations on S.R. No. 79

The purpose of this measure is to establish a Senate Special Committee to make recommendations on the appropriate lease rent for the Mauna Kea Summit lands.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. Comments were received from the University of Hawaii System.

The Mauna Kea summit land is ceded land and part of the public land trust. The lease agreement dated June 21, 1968, for a term of sixty-five years, between the Department of Land and Natural Resources as lessor, and the University of Hawaii as lessee, for the lease of the Mauna Kea forest reserve does not provide for any lease rent amount. Instead of charging lease rent, the university reportedly requires each facility to provide a percentage of its observatory time to the University of Hawaii Institute for Institute.

Your Committee finds that a long-standing and genuine issue has arose as to the amount of lease rent that should be paid for use of the Mauna Kea Summit land. A special committee is necessary to bring the parties together to confer and cooperate to reach a mutually agreeable solution to the issue.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 79 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3603 Transportation and Government Operations on S.C.R. No. 199

The purpose of this measure is to request the College of Hawaiian Language at the University of Hawaii at Hilo to work with appropriate government offices to develop a plan to promote the Hawaiian language in all state and county government offices.

Your Committee received testimony in support of this measure from the University of Hawaii at Hilo and the Office of Hawaiian Affairs.

Your Committee finds that developing a plan for use of the Hawaiian language in government offices is appropriate, given the special status of the Hawaiian language as established in the state constitution. The collection and dissemination of the appropriate technology for providing updated letterheads in Hawaiian and English for official state and county stationery will be a logical next step in the Lexicon Development Program of the College of Hawaiian Language.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 199 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3604 Transportation and Government Operations on S.C.R. No. 93

The purpose of this measure is to request the Department of Commerce and Consumer Affairs and the Attorney General to implement measures to provide a smooth transition for public, education, and government access organizations should it be determined by the State Procurement Office that these organizations are subject to the state procurement law.

Your Committee received testimony in support of this measure from Akaku Maui Community Television, Na Leo O Hawaii, and four individuals. Comments were submitted by the Cable Television Division of the Department of Commerce and Consumer Affairs and the Attorney General.

The Department of Commerce and Consumer Affairs entered into and renegotiated contracts between 1990 and 1999 with the following four public, education, and government access organizations: Olelo Community Television; Akaku: Maui Community Television; Hoike: Kauai Community Television; and Na Leo O Hawaii. The Department of the Attorney General informed the Department of Commerce and Consumer Affairs some time after December 2003 that contracts with the public, education, and government access organizations must comply with the state procurement law.

Your Committee finds that problems with purchases of equipment and long-term maintenance of this equipment by the current public, education, and government access organizations may arise for the Department of Commerce and Consumer Affairs and the current public, education, and government access organizations with the application of the state procurement law. The application of the state procurement law to the contract process between the Department of Commerce and Consumer Affairs and the current public, education, and government access organizations may disrupt the consistent provision of service and long-term maintenance of equipment. The current public, education, and government access organizations do not receive any governmental monies from the state general fund or the Department of Commerce and Consumer Affairs' Compliance Resolution Fund.

Your Committee believes that the Department of Commerce and Consumer Affairs and the Attorney General should implement measures to provide a smooth transition to public, education, and government access organizations should it be finally determined by the State Procurement Office that the public, education, and government access organizations are subject to the state procurement law.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 3605 (Joint) Health and Human Services on S.R. No. 64

The purpose of this measure is to urge the United States Congress to examine the public policy underlying the recovery of medical assistance payments.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that current federal statutes allow lien exemptions for a sibling who has resided in the home for one year and who has an equity interest in the home, for disabled or minor children, and spouses. A lien exemption should also apply to adult, non-disabled children residing for at least one year in the home and who have an equity interest in the home. Allowing a Medicaid agency to place a lien on a beneficiary's home often causes financial hardship for the beneficiary's adult child, particularly when he or she has resided in the home for a long period of time.

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. 64 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Tsutsui).

SCRep. 3606 Media, Arts, Science and Technology on S.C.R. No. 10

The purpose of this measure is to provide legislative support for the preservation of traditional Japanese shrines and temples in Hawaii.

Your Committee received testimony in support of this measure from a private individual. The Department of Land and Natural Resources submitted comments.

Traditional Japanese shrines and temples in Hawaii have served as important religious, social, and cultural centers for immigrant populations while assimilating themselves into Hawaii. These shrines and temples also showcase unique architectural forms that combine traditional Japanese architectural motifs with new materials, construction methods, and architectural forms that are unique to Hawaii. Your Committee finds that the preservation of these shrines and temples will preserve their unique architectural forms and will provide economic and cultural benefits for the State.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Land and Natural Resources consult with the Japanese Cultural Center of Hawaii to identify the Japanese temples and shrines in Hawaii and indicate the temple or shrine's physical condition, if possible;
- (2) Requesting that the Department of Land and Natural Resources submit a report to the Legislature on the information gathered on Hawaii's Japanese temples and shrines, and any preservation recommendations;
- (3) Adding the Chairperson of the Department of Land and Natural Resources and the Chairperson of the Japanese Cultural Center of Hawaii to the list of designated recipients to receive a certified copy; and
- (4) Making technical, nonsubstantive changes for style and format.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3607 Media, Arts, Science and Technology on S.C.R. No. 222

The purpose of this measure is to encourage the creation of a Hawaii State History Museum to serve as a central point that will provide a comprehensive perspective on the history of the various people, cultures, and places of Hawaii.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and a private individual. The Department of Land and Natural Resources submitted comments.

Hawaii residents and visitors should have the opportunity to enrich themselves with the rich cultural and historical heritage that is unique to the State. Although the Bernice Pauahi Bishop Museum is designated as the State of Hawaii Museum of Natural and Cultural History, Hawaii does not have a central institution that provides a comprehensive perspective on the history of the various people, cultures, and places of Hawaii. A state history museum could serve as a depository for historic property such as photographs, artifacts, and specimens, and objects of natural, botanical, ethnological, architectural, historical, or archaeological value or interest.

Your Committee finds that a Hawaii State History Museum will provide an opportunity to bring the various cultures of Hawaii together through the sharing of collective and individual histories, which will allow for a greater appreciation of cultural similarities and differences. A Hawaii State History Museum will provide economic and cultural benefits for the State and create a legacy for future generations.

Your Committee has amended this measure by:

- (1) Amending the title to request a feasibility report on creating a Hawaii State History Museum;
- (2) Deleting language that requests the Department of Land and Natural Resources to create a Hawaii State History Museum and replacing it with language that requests the Department to consult with the Bishop Museum and the Hawaii Museums Association on the feasibility of creating a state history museum;
- (3) Deleting language that requests the Department to submit a report to the Legislature on the Department's plan for the establishment, implementation, operation, and maintenance of a state history museum and replacing it with language that requests the Department to submit a report on the feasibility of creating this type of museum; and
- (4) Adding the President and the Chief Executive Officer of the Bishop Museum and the President of the Hawaii Museums Association to the list of recipients receiving a certified copy.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 222, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 222, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3608 Water, Land, and Agriculture on S.C.R. No. 56

The purpose of this measure is to reduce the feral pig population in the Tantalus area.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and one individual.

Your Committee finds that feral pigs are an invasive species that cause considerable damage to the environment. They have migrated in increasing numbers from state land to neighborhoods and other residential areas causing property damage and disturbances. This measure requests the Department of Land and Natural Resources to prepare a plan to reduce the feral pig population in the Tantalus area.

However, your Committee further finds that throughout the State, the feral pig population is increasing, and the destruction and disturbances they cause are pervasive. Thus, your Committee has amended this measure by expanding the scope of the plan to cover the entire State rather than just the Tantalus area.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 3609 Water, Land, and Agriculture on S.R. No. 43

The purpose of this measure is to request the Legislative Reference Bureau to study and evaluate the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority. Comments were submitted by the Legislative Reference Bureau.

Your Committee finds that the Hawaii Community Development Authority was established thirty years ago to ensure that the Kakaako area is invigorated as a dynamic urban neighborhood and to bring together a wide spectrum of activities and commerce, as well as a greater mixture of Hawaii's population. This measure continues this objective by studying and evaluating the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

However, your Committee notes that the redevelopment agency, if established, would probably fall under the City and County of Honolulu's jurisdiction. Thus, your Committee requests the Legislative Reference Bureau to work closely with the City and County of Honolulu, as the city will need to examine this issue for future developments such as a mass transit system.

Your Committee has amended this measure by deleting the need to consider whether the redevelopment agency should be empowered to create superblocks.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 43, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 43, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3610 Water, Land, and Agriculture on S.R. No. 119

The purpose of this measure is to request the auditor to conduct a study to determine the multiplier effect of the agricultural industry in Hawaii's economy.

Testimony in support of this measure was submitted by the Department of Agriculture, the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, Maui Land & Pineapple Company, Meadow Gold Dairies, the Pineapple Growers Association of Hawaii, and one individual.

Your Committee finds that there is a need for business and government policy makers to be informed of the multiplier effect for increases or decreases in agricultural production on employment, purchases of agricultural inputs, and consumer spending on goods and services. Currently, there are mathematical techniques that may be used to measure the multiplier effect on numerous factors; however, those models typically do not address or conform to Hawaii's unique economy. This measure requests a study to establish models that are appropriate for Hawaii.

Your Committee has amended this measure by:

- (1) Requesting the Department of Agriculture, rather than the Auditor, to perform the study;
- (2) Requesting the Department of Business, Economic Development, and Tourism and the University of Hawaii College of Tropical Agriculture and Human Resources to assist the Department of Agriculture in establishing the appropriate models; and
- (3) Providing that certified copies of the resolution be transmitted to the Chair of the Board of Agriculture; the Director of Business, Economic Development, and Tourism; the President of the University of Hawaii; and the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 119, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3611 Water, Land, and Agriculture on S.R. No. 78

The purpose of this measure is to request the Department of Land and Natural Resources to recommend solutions to abate and prevent the accumulation of sediment at Wailoa Small Boat Harbor and along Hilo Bayfront.

Testimony in support of this measure was submitted by eleven individuals. Comments were also submitted by the Department of Land and Natural Resources.

Your Committee finds that the Wailoa River discharges into Hilo Bay and is one of the major sources of sediment in the bay. The movement of water from the river is generally insufficient to flush out silt and mud. Thus, Wailoa River and Hilo Bay are both subject to chronic nonpoint source pollution with high bacterial counts. This measure requests the Department of Land and Natural Resources to recommend solutions to abate and prevent the accumulation of sediment at Wailoa Small Boat Harbor and along Hilo Bayfront.

Your Committee notes that the Department of Land and Natural Resources has requested an emergency appropriation of \$1,200,000 to dredge the Wailoa Small Boat Harbor channel, and your Committee further finds that long-term abatement of the sediment in this area should be addressed by the Department of Health and the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3612 Water, Land, and Agriculture on S.R. No. 86

The purpose of this measure is to request the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of mandated or incentive-based voluntary rooftop landscaping and agriculture in urban districts.

Testimony in support of this measure was submitted by the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, and the Hawaii Farm Bureau Federation.

Scientific testing in several countries has shown that rooftop landscaping helps to reduce the amount of pollutants and dust particles in the air and water. Your Committee finds that encouraging more of these projects across the State is appropriate. Accordingly, this measure requests the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of mandated or incentive-based voluntary rooftop landscaping and agriculture in urban districts.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3613 Water, Land, and Agriculture on S.C.R. No. 178

The purpose of this measure is to request the auditor to conduct a study to determine the multiplier effect of the agricultural industry in Hawaii's economy.

Testimony in support of this measure was submitted by the Department of Agriculture, the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, Maui Land & Pineapple Company, Meadow Gold Dairies, the Pineapple Growers Association of Hawaii, and one individual.

Your Committee finds that there is a need for business and government policy makers to be informed of the multiplier effect for increases or decreases in agricultural production on employment, purchases of agricultural inputs, and consumer spending on goods and services. Currently, there are mathematical techniques that may be used to measure the multiplier effect on numerous factors; however, those models typically do not address or conform to Hawaii's unique economy. This measure requests a study to establish models that are appropriate for Hawaii.

Your Committee has amended this measure by:

- (1) Requesting the Department of Agriculture, rather than the Auditor, to perform the study;
- (2) Requesting the Department of Business, Economic Development, and Tourism and the University of Hawaii College of Tropical Agriculture and Human Resources to assist the Department of Agriculture in establishing the appropriate models; and
- (3) Providing that certified copies of the resolution be transmitted to the Chair of the Board of Agriculture; the Director of Business, Economic Development, and Tourism; the President of the University of Hawaii; and the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 178, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 178, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3614 Water, Land, and Agriculture on S.C.R. No. 139

The purpose of this measure is to request the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of mandated or incentive-based voluntary rooftop landscaping and agriculture in urban districts.

Testimony in support of this measure was submitted by the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, and the Hawaii Farm Bureau Federation.

Scientific testing in several countries has shown that rooftop landscaping helps to reduce the amount of pollutants and dust particles in the air and water. Your Committee finds that encouraging more of these projects across the State is appropriate. Accordingly, this measure requests the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of mandated or incentive-based voluntary rooftop landscaping and agriculture in urban districts.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 139 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3615 Water, Land, and Agriculture on S.C.R. No. 130

The purpose of this measure is to request the Department of Land and Natural Resources to recommend solutions to abate and prevent the accumulation of sediment at Wailoa Small Boat Harbor and along Hilo Bayfront.

Testimony in support of this measure was submitted by eleven individuals. Comments were also submitted by the Department of Land and Natural Resources.

Your Committee finds that the Wailoa River discharges into Hilo Bay and is one of the major sources of sediment in the bay. The movement of water from the river is generally insufficient to flush out silt and mud. Thus, Wailoa River and Hilo Bay are both subject to chronic nonpoint source pollution with high bacterial counts. This measure requests the Department of Land and Natural Resources to recommend solutions to abate and prevent the accumulation of sediment at Wailoa Small Boat Harbor and along Hilo Bayfront.

Your Committee notes that the Department of Land and Natural Resources has requested an emergency appropriation of \$1,200,000 to dredge the Wailoa Small Boat Harbor channel, and your Committee further finds that long-term abatement of the sediment in this area should be addressed by the Department of Health and the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3616 Water, Land, and Agriculture on S.C.R. No. 66

The purpose of this measure is to request the Legislative Reference Bureau to study and evaluate the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority. Comments were submitted by the Legislative Reference Bureau.

Your Committee finds that the Hawaii Community Development Authority was established thirty years ago to ensure that the Kakaako area is invigorated as a dynamic urban neighborhood and to bring together a wide spectrum of activities and commerce, as well as a greater mixture of Hawaii's population. This measure continues this objective by studying and evaluating the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu.

However, your Committee notes that the redevelopment agency, if established, would probably fall under the City and County of Honolulu's jurisdiction. Thus, your Committee requests the Legislative Reference Bureau to work closely with the City and County of Honolulu, as the city will need to examine this issue for future developments such as a mass transit system.

Your Committee has amended this measure by deleting the need to consider whether the redevelopment agency should be empowered to create superblocks.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 66, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3617 Water, Land, and Agriculture on S.C.R. No. 62

The purpose of this measure is to request the Governor to proclaim the second Saturday in October "E Ho'ola I Na Ala Hele Day" – "To Give Life to the Trails Day."

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

On October 15, 1892, the Kingdom's Highways Act, a very unique and significant measure, was enacted. Today, the Department of Land and Natural Resources uses the Act to ascertain and protect the public and government's interest in ancient and historic trails through its Nā Ala Hele Program. Thus, your Committee finds that honoring Hawaii's trails on the second Saturday of each October is appropriate.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3618 Commerce, Consumer Protection and Housing on S.C.R. No. 77

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study of recommended procedures that will ensure adequacy of state health care reimbursements to providers who provide services for Medicaid or QUEST recipients for the actual costs of health care services.

Testimony in support of this measure was submitted by Healthcare Association of Hawaii, Kaiser Permanente, Hawaii Pacific Health, the Hawaii Business Roundtable, and the Hawaii Long Term Care Association. The Legislative Reference Bureau submitted comments on this measure.

Your Committee finds that the State pays for a considerable amount of health care and controls certain types of payments for health care made to providers. Your Committee further finds that it is in the public interest to ensure that these health care payments made with state funds or controlled by the State are sufficient to cover the actual costs of care in the Medicare or QUEST context and under the workers compensation insurance system.

Accordingly, your Committee has amended this measure by requesting that the Legislative Reference Bureau conduct two studies that examine payments to providers of health care services: one for Medicaid or QUEST recipients and another for injured employees under workers compensation insurance. Your Committee further amended this measure by requesting that the Legislative Reference Bureau submit these two studies on a staggered basis prior to the Regular Sessions of 2007 and 2008.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3619 Commerce, Consumer Protection and Housing on S.C.R. No. 152

The purpose of this measure is to request that public housing tenants be empowered through participation in the democratic process.

The purpose of this measure, as amended, is to request the Legislative Reference Bureau to conduct an interim study of the need for greater regulation of the medical malpractice insurance industry in Hawaii and to propose needed reforms.

Your Committee received testimony in support of the amended measure from the Consumer Lawyers of Hawaii. Testimony in opposition was received from the State Insurance Commissioner.

Your Committee finds that Hawaii is having difficulty attracting and retaining physicians, particularly those with specialty practices subject to high medical malpractice insurance premiums such as obstetrics, gynecology, and trauma care. Many states are examining the high cost of medical malpractice insurance and insurers' claims that high premiums are solely attributable to large damage awards.

According to the *Honolulu Advertiser* in an article on May 9, 2005, rising medical malpractice premiums and fears of lawsuits are taking their toll on the quality of healthcare in Hawaii, particularly in orthopedics and obstetrics, where high costs are driving some doctors to quit. In some parts of the State, hospitals are facing a critical shortage of emergency room orthopedic surgeons who handle trauma cases, such as car crashes. Lawsuits remain the main concern. The situation is particularly acute in rural areas and on the Neighbor Islands, where the rising medical malpractice insurance rates only serve to contribute to the already scarce supply of medical specialists.

This measure calls for a study of the rising cost of medical malpractice insurance in Hawaii to evaluate the need to increase the regulation and transparency of the Hawaii medical malpractice insurance industry and to propose needed reforms. Hawaii cannot afford to ignore this subtle yet pernicious problem that has been manifest and pervasive in other states. Thus, this study is in the interests of promoting the public health and welfare, as well as protection of the public's safety.

Your Committee has amended this measure by deleting its contents and substituting the study by the Legislative Reference Bureau, and adding that the Legislative Reference Bureau confer with the legal community. Your Committee recommends that the Consumer Lawyers of Hawaii be included among those in the legal community to be consulted.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 152, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 152, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3620 Commerce, Consumer Protection and Housing on S.R. No. 71

The purpose of this measure is to request a study by the University of Hawaii on creating contributory affordable housing solutions through mandated state special assessments against real property and improvements that accrue to commercial and industrial lessors through the exercise of full-term expiratory reversion clauses in ground lease contracts entered into after December 31, 1963.

Testimony in support of the measure was submitted by two individuals. The Land Use Research Foundation of Hawaii (LURF) testified in strong opposition.

Your Committee finds that although LURF has raised a serious constitutional question relating to impairment of contracts, the study requested by this resolution may help to settle, without litigation, a controversy between certain commercial and industrial lessors and lessees. The issue is whether any profits accruing to lessors from leasehold reversionary clauses would justify a mandatory state special assessment, as proposed in the resolution.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3621 Commerce, Consumer Protection and Housing on S.C.R. No. 113

The purpose of this measure is to request that the Legislative Reference Bureau (LRB) study the sale of telephone customer usage pattern records to telemarketers.

On April 7, 2006, your Committee filed a hearing notice and a proposed Senate Draft 1 of this measure requesting that the LRB study the issue of authorizing psychologists who have obtained the appropriate education, training, and experience to prescribe a limited formulary of psychotic medications for the treatment of mental illness while practicing in federally qualified health centers or licensed health clinics located in federally designated medically underserved areas or in mental health professional shortage areas.

Testimony in support of the proposed measure was submitted by the Hawaii Psychiatric Medical Association. Proposed revisions to this measure were submitted by the Hawaii Psychological Association.

Your Committee finds that there are competing views on proposed legislation to confer prescriptive authority on clinical psychologists. Proponents of the legislation posit that there are not enough psychiatrists available to serve patients at federally qualified health centers in the State. Proponents of the legislation also argue that with appropriate education, training, and experience, clinical psychologists may be able to prescribe medications, particularly in these centers where there appear to be barriers to the hiring of psychiatrists. Opponents to the legislation assert that the health, safety, and well-being of the public are at risk if prescriptive authority is not retained and exercised only by medically trained and qualified psychiatrists.

Your Committee further finds that, in the interest of the health, safety, and well-being of the public, there is a need to examine these conflicting views and the pros and cons of the appropriateness of conferring prescriptive authority on clinical psychologists to treat mental illness in the State.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions requesting the LRB to study the sale of telephone customer usage pattern records to telemarketers;
- (2) Inserting provisions explaining the debate on the conferral of prescriptive authority on clinical psychologists; and
- (3) Requesting the LRB to study the issue of authorizing psychologists who have obtained the appropriate education, training, and experience to prescribe a limited formulary of psychotropic medications for the treatment of mental illness, while practicing in federally qualified health centers or licensed health clinics located in federally designate medically underserved areas or in mental health professional shortage areas.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 3622 Water, Land, and Agriculture on S.C.R. No. 195

The purpose of this measure is to request the Honolulu Board of Water Supply to work with the Housing and Community Development Corporation of Hawaii on replacing the Waiahole Valley water system and for the Board of Water Supply to accept dedication of the upgraded water system.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, the City and County of Honolulu Board of Water Supply, Waiāhole Landowners Association, and the Waiahole-Waikane Community Association.

Your Committee finds that the City and County of Honolulu Board of Water Supply has the necessary technical experience that the Housing and Community Development Corporation of Hawaii lacks, and therefore the two agencies should work together to replace the Waiahole Valley water system. Your Committee encourages both the City and County of Honolulu Board of Water Supply and the Housing and Community Development Corporation of Hawaii to initiate and continue a dialog with the Waiahole-Waikane community.

Your Committee also notes that the McCandless Water System has a long history regarding its uses and its ownership, and there are many unresolved issues surrounding its ownership. Your Committee recognizes these issues and also acknowledges that the system should continue to be used for agricultural purposes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3623 Water, Land, and Agriculture on S.C.R. No. 157

The purpose of this measure is to request the University of Hawaii Board of Regents to name the Komohana Research and Extension Center in honor of Dr. Tadashi Higaki.

Testimony in support of this measure was submitted by the Big Island Dendrobium Growers Association; Green Point Nurseries, Inc.; and eleven individuals.

Dr. Tadashi Higaki was a true son of the Big Island and a friend of farming. His achievements in academia and his ascension through the ranks of the Agricultural Research and Extension were remarkable, and his contribution to the development of diversified agriculture were immense. Your Committee finds that it is appropriate for the University of Hawaii Board of Regents to waive its policy and initiate internal procedures to honor Dr. Higaki.

Your Committee has amended this measure by requesting that the administrative wing of the Komohana Research and Extension Center be named in honor of Dr. Tadashi Higaki.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 157, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3624 Water, Land, and Agriculture on S.R. No. 113

The purpose of this measure is to request the University of Hawaii Board of Regents to name the Komohana Research and Extension Center in honor of Dr. Tadashi Higaki.

Testimony in support of this measure was submitted by the Big Island Dendrobium Growers Association; Green Point Nurseries, Inc.; and eleven individuals.

Dr. Tadashi Higaki was a true son of the Big Island and a friend of farming. His achievements in academia and his ascension through the ranks of the Agricultural Research and Extension were remarkable, and his contribution to the development of diversified agriculture were immense. Your Committee finds that it is appropriate for the University of Hawaii Board of Regents to waive its policy and initiate internal procedures to honor Dr. Higaki.

Your Committee has amended this measure by requesting that the administrative wing of the Komohana Research and Extension Center be named in honor of Dr. Tadashi Higaki.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3625 Water, Land, and Agriculture on S.R. No. 130

The purpose of this measure is to request the Honolulu Board of Water Supply to work with the Housing and Community Development Corporation of Hawaii on replacing the Waiahole Valley water system and for the Board of Water Supply to accept dedication of the upgraded water system.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, the City and County of Honolulu Board of Water Supply, Waiāhole Landowners Association, and the Waiahole-Waikane Community Association.

Your Committee finds that the City and County of Honolulu Board of Water Supply has the necessary technical experience that the Housing and Community Development Corporation of Hawaii lacks, and therefore the two agencies should work together to replace the Waiahole Valley water system. Your Committee encourages both the City and County of Honolulu Board of Water Supply and the Housing and Community Development Corporation of Hawaii to initiate and continue a dialog with the Waiahole-Waikane community.

Your Committee also notes that the McCandless Water System has a long history regarding its uses and its ownership, and there are many unresolved issues surrounding its ownership. Your Committee recognizes these issues and also acknowledges that the system should continue to be used for agricultural purposes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 130 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3626 Water, Land, and Agriculture on S.C.R. No. 98

The purpose of this measure is to request the Department of Land and Natural Resources to create a task force to assess the status of Ahu O Laka in Kaneohe Bay, Oahu, and to address other issues related to the site.

Your Committee circulated a proposed amendment to this measure that replaces its contents with language that urges the City and County of Honolulu to proceed with caution in reviewing developments on steep hillsides with potential rockfall hazards.

Testimony in support of this proposed amendment was submitted by the Department of Land and Natural Resources, the University of Hawaii Environmental Center, a City and County of Honolulu city council member, the Nu'uauu/Punchbowl Neighborhood Board, the Law Offices of Philip S. Nerney, LLLC, and nineteen individuals.

In recent years, there have been several rockfalls in the Nu'uauu valley, killing one person in 2002. Currently, there is a private landowner who intends to develop a nine-lot subdivision above existing homes on a very steep terrain. The community believes that this development will put homeowners below in further jeopardy and subject their properties to even greater flooding. Your Committee finds that caution should be used in developing this area. Accordingly, this measure urges the City and County of Honolulu to proceed with caution in reviewing developments on steep hillsides with potential rockfall hazards.

Your Committee notes that the issue of building on steep hillsides with potential rockfall hazards is a pervasive problem, and your Committee further finds that this issue should be addressed statewide in the future.

Your Committee has therefore amended this measure by adopting the proposed amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3627 (Joint) Water, Land, and Agriculture, Tourism and Intergovernmental Affairs on S.C.R. No. 196

The purpose of this measure is to reexamine the development expansion plan at the Turtle Bay Resort, given the changing circumstances since it was adopted twenty years ago, to see if a supplemental environmental impact statement is required.

Testimony in support of this measure was submitted by Faith Action for Community Equity, Interfaith Alliance Hawaii, Life of the Land, Local 5, the Surfrider Foundation Oahu Chapter, and ten individuals. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of Planning and Permitting, the Carpenters Union, and Kusao & Kurahashi, Inc. Comments were also submitted by the Pacific Resource Partnership.

In 1986, the Council of the City and County of Honolulu approved the Kuilima Expansion Project by issuing a special management area use permit to Kuilima Development Company. At the time the permit was issued, an environmental impact statement was prepared. Since then and for many different reasons, the Kuilima Expansion Project has not been completed, and now the current owners have applied for subdivision permits to move forward on the twenty-year-old development plan.

Many individuals in the North Shore community and even the hotel workers' union object to further development and feel that the more than twenty-year-old environmental impact statement does not accurately assess the subsequent changes in the surrounding community. Your Committees noted testimony from members of the community that expressed strong concerns regarding the need to address socio-economic studies, as well as to assess the traffic impacts of the development.

Under the Department of Health's administrative rules, supplemental environmental impact statements "are not required, to the extent that the action has not changed substantively in size, scope, intensity, use, location or timing, among other things." Hawaii Administrative Rules (H.A.R.) §11-200-26. Further, the "accepting authority or approving agency in coordination with the original accepting authority shall be responsible for determining whether a supplemental statement is required." H.A.R. §11-200-27. Your Committees find that based on the applicable administrative rules, the City and County of Honolulu's Council, in consultation with the City and County of Honolulu Department of Planning and Permitting, is the appropriate entity to determine whether a supplemental statement is necessary.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the whereas clause that concludes that there has been a significant change in timing and impact of the project;
- (2) Clarifying the circumstances of when a supplemental statement is necessary; and
- (3) Clarifying that the City and County of Honolulu Council, in consultation with the Department of Planning and Permitting, is the appropriate entity to determine if a supplemental statement is necessary.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Tourism and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 196, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 196, S.D. 1.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 6 (Baker, Espero, Hooser, Inouye, Tsutsui, Hemmings).

SCRep. 3628 (Joint) Water, Land, and Agriculture, Tourism and Intergovernmental Affairs on S.R. No. 131

The purpose of this measure is to reexamine the development expansion plan at the Turtle Bay Resort, given the changing circumstances since it was adopted twenty years ago, to see if a supplemental environmental impact statement is required.

Testimony in support of this measure was submitted by Faith Action for Community Equity, Interfaith Alliance Hawaii, Life of the Land, Local 5, the Surfrider Foundation Oahu Chapter, and ten individuals. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of Planning and Permitting, the Carpenters Union, and Kusao & Kurahashi, Inc. Comments were also submitted by the Pacific Resource Partnership.

In 1986, the Council of the City and County of Honolulu approved the Kuilima Expansion Project by issuing a special management area use permit to Kuilima Development Company. At the time the permit was issued, an environmental impact statement was prepared. Since then and for many different reasons, the Kuilima Expansion Project has not been completed, and now the current owners have applied for subdivision permits to move forward on the twenty-year-old development plan.

Many individuals in the North Shore community and even the hotel workers' union object to further development and feel that the more than twenty-year-old environmental impact statement does not accurately assess the subsequent changes in the surrounding community. Your Committees noted testimony from members of the community that expressed strong concerns regarding the need to address socio-economic studies, as well as to assess the traffic impacts of the development.

Under the Department of Health's administrative rules, supplemental environmental impact statements "are not required, to the extent that the action has not changed substantively in size, scope, intensity, use, location or timing, among other things." Hawaii Administrative Rules (H.A.R.) §11-200-26. Further, the "accepting authority or approving agency in coordination with the original accepting authority shall be responsible for determining whether a supplemental statement is required." H.A.R. §11-200-27. Your Committees find that based on the applicable administrative rules, the City and County of Honolulu's Council, in consultation with the City and County of Honolulu Department of Planning and Permitting, is the appropriate entity to determine whether a supplemental statement is necessary.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the whereas clause that concludes that there has been a significant change in timing and impact of the project;
- (2) Clarifying the circumstances of when a supplemental statement is necessary; and
- (3) Clarifying that the City and County of Honolulu Council, in consultation with the Department of Planning and Permitting, is the appropriate entity to determine if a supplemental statement is necessary.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Tourism and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 131, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 131, S.D. 1.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 6 (Baker, Espero, Hooser, Inouye, Tsutsui, Hemmings).

SCRep. 3629 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 14

The purpose of this measure is to request Hawaii's Congressional delegation to seek federal funding to be used for programs and measures intended to contain and eradicate coqui frogs in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, the County of Hawaii, C&H Farms, Hawaii Association of Realtors, and one individual. Testimony in opposition to this measure was submitted by Animal Rights Hawai'i Advocates for Animals; the Coqui Hawaiian Integration and Reeducation Project; the Good Shepherd Foundation, Inc.; and one individual.

Your Committees finds that the threat of invasive species entering the State is not a new one. In fact, Hawaii's Congressional delegation has diligently worked to secure federal funds for the control and eradication of the brown tree snake. The federal money received helped to fund various control measures, research, prevention, and eradication of the brown tree snake. These efforts have significantly reduced the threat that the snake poses to Hawaii's natural ecosystem and economy. This measure requests Hawaii's Congressional delegation to work with that same vigor and commitment to secure money for the eradication of coqui frogs in the State.

Your Committees have amended this measure by expanding the scope of the request to include the prevention and the eradication of all invasive species threatening Hawaii's natural environment and resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 14, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 14, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Hooser, Ige, Inouye).

SCRep. 3630 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.R. No. 5

The purpose of this measure is to request Hawaii's Congressional delegation to seek federal funding to be used for programs and measures intended to contain and eradicate coqui frogs in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, the County of Hawaii, C&H Farms, Hawaii Association of Realtors, and one individual. Testimony in opposition to this measure was submitted by Animal Rights Hawai'i Advocates for Animals; the Coqui Hawaiian Integration and Reeducation Project; the Good Shepherd Foundation, Inc.; and one individual.

Your Committees finds that the threat of invasive species entering the State is not a new one. In fact, Hawaii's Congressional delegation has diligently worked to secure federal funds for the control and eradication of the brown tree snake. The federal money received helped to fund various control measures, research, prevention, and eradication of the brown tree snake. These efforts have significantly reduced the threat that the snake poses to Hawaii's natural ecosystem and economy. This measure requests Hawaii's Congressional delegation to work with that same vigor and commitment to secure money for the eradication of coqui frogs in the State.

Your Committees have amended this measure by expanding the scope of the request to include the prevention and the eradication of all invasive species threatening Hawaii's natural environment and resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 5, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 5, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Hooser, Ige, Inouye).

SCRep. 3631 Human Services on S.C.R. No. 81

The purpose of this measure is to request the Auditor to conduct an audit of the Department of Human Services' vocational rehabilitation and services for the blind division.

Your Committee circulated a proposed Senate draft for this measure that amends the measure to urge the Department of Human Services to eliminate the concept of positive enrollment from the recently issued QUEST Request for Proposal.

Your Committee received testimony in support of the proposed draft from AlohaCare, the Community Clinic of Maui, Family Voices of Hawai'i, Hale o Lanakila Clubhouse, Hamakua Health Center, Inc., Hana Health, the Hawaii Coalition for Health, the Hawaii Independent Physicians Association, Hawaii Pacific Health, the Hawai'i Primary Care Association, Kalihi-Palama Health Center, MothersCare For Tomorrow's Children, Papa Ola Lokahi, the Queen Emma Clinics, Waianae Coast Comprehensive Health Center, Waikiki Health Center, Waimanalo Health Center, and ten individuals. The Department of Human Services submitted testimony in opposition to the measure.

Your Committee finds that this amended measure advocates the amendment of the Request for Proposal issued by the Department of Human Services on March 13, 2006 to delete the positive enrollment requirement. The concept of positive enrollment means requiring the 165,000 individuals currently enrolled in the QUEST program to affirmatively re-enroll in the plan and select a Primary Care Physician. Those who do not respond will be auto-assigned in a health plan according to an approved algorithm.

Your Committee further finds that the overwhelming consensus of the testimony of the healthcare providers and advocates who work with QUEST recipients was that a positive enrollment requirement would cause widespread confusion among QUEST beneficiaries, disrupt their continuity of care, delay needed palliative and preventive treatment, and otherwise disturb the provision of service to the QUEST population.

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, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 81, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3632 Human Services on S.R. No. 52

The purpose of this measure is to request the Auditor to conduct an audit of the Department of Human Services' vocational rehabilitation and services for the blind division.

Your Committee circulated a proposed Senate draft for this measure that amends the measure to urge the Department of Human Services to eliminate the concept of positive enrollment from the recently issued QUEST Request for Proposal.

Your Committee received testimony in support of the proposed draft from AlohaCare, the Community Clinic of Maui, Family Voices of Hawai'i, Hale o Lanakila Clubhouse, Hamakua Health Center, Inc., Hana Health, the Hawaii Coalition for Health, the Hawaii Independent Physicians Association, Hawaii Pacific Health, the Hawai'i Primary Care Association, Kalihi-Palama Health Center, MothersCare For Tomorrow's Children, Papa Ola Lokahi, the Queen Emma Clinics, Waianae Coast Comprehensive Health Center, Waikiki Health Center, Waimanalo Health Center, and ten individuals. The Department of Human Services submitted testimony in opposition to the measure.

Your Committee finds that this amended measure advocates the amendment of the Request for Proposal issued by the Department of Human Services on March 13, 2006 to delete the positive enrollment requirement. The concept of positive enrollment means requiring the 165,000 individuals currently enrolled in the QUEST program to affirmatively re-enroll in the plan and select a Primary Care Physician. Those who do not respond will be auto-assigned in a health plan according to an approved algorithm.

Your Committee further finds that the overwhelming consensus of the testimony of the healthcare providers and advocates who work with QUEST recipients was that a positive enrollment requirement would cause widespread confusion among QUEST beneficiaries, disrupt their continuity of care, delay needed palliative and preventive treatment, and otherwise disturb the provision of service to the QUEST population.

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. 52, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3633 Human Services on S.C.R. No. 205

The purpose of this measure is to clarify and declare that providers of domestic services who are authorized and subsidized by the Department of Human Services to provide domestic services are excluded from the application of the State's Workers' Compensation Law, Temporary Disability Law, and Prepaid Health Care Law.

Your Committee drafted a proposed Senate Draft on this measure that, among other things, requested that:

- (1) The Legislative Reference Bureau, with the assistance of the Attorney General and the Departments of Labor and Industrial Relations, Human Services, and Taxation, conduct a study on the exemptions of domestic services authorized by the Department of Human Services under the Social Security Act to:
 - (A) Provide clarification on the relationship between providers as recipients of social service payments and those employed to provide domestic services; and
 - (B) Analyze the propriety of the exemption of these domestic services from the Employment Security Law (chapter 383, Hawaii Revised Statutes);
- (2) The Attorney General, the Departments of Labor and Industrial Relations, Human Services, and Taxation, and other relevant agencies defer any enforcement action related to chapters 383 (Employment Security), 386 (Workers' Compensation), 392 (Temporary Disability), and 393 (Prepaid Health Care), Hawaii Revised Statutes, until the end of the 2007 Regular Session; and
- (3) A report and proposed legislation be submitted to the Legislature on this issue not later than twenty days prior to the convening of the 2007 Regular Session.

Your Committee finds that the Department of Human Services contracts with social care providers, including corporations and private agencies, to perform attendant care and day care services authorized under the Social Security Act, as amended.

Sections 386-1, 392-3 and 393-5, Hawaii Revised Statutes, exclude “domestic” services from the definitions of “employment” for individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of social care providers.

However, the “domestic” exemption is not included in the Hawaii Employment Security Law, chapter 383, Hawaii Revised Statutes.

Your Committee finds that it is in the public interest, benefit, and welfare to exclude from the definition of “employment” in chapters 383, 386, 392 and 393, Hawaii Revised Statutes, those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of social care providers. This would ensure that social care providers continue to operate and use their resources to provide services to elderly and disabled adults in Hawaii.

Your Committee further finds that it is in the public interest, benefit, and welfare to have a friendly regulatory environment for businesses, including consistent employment benefit laws. Therefore, your Committee finds that it is contrary to the public interest, benefit, and welfare to have inconsistent laws that exclude the “domestic” exemption in the Hawaii Employment Security Law but include the “domestic” exemption in the Hawaii Workers’ Compensation law, Temporary Disability Law, and Prepaid Health Care Law.

Your Committee also finds that it would be in the public interest if the Department of Labor and Industrial Relations and other state agencies would act consistently with the intent of the Legislature to exclude social care providers and their employees who perform social services from the definition of “employment” in chapters 383, 386, 392, and 393, Hawaii Revised Statutes.

Your Committee finds that actions not consistent with this intent may jeopardize and seriously impair the ability of social care providers to continue to operate and to use their resources to provide services to elderly and disabled adults in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Changing its title to read: “REQUESTING THE ATTORNEY GENERAL TO PROVIDE A DEFINITIVE LEGAL OPINION REGARDING WHETHER CHAPTERS 383, 386, 392, AND 393, HAWAII REVISED STATUTES, EACH EXCLUDE FROM THE DEFINITION OF “EMPLOYMENT” THOSE INDIVIDUALS WHO PERFORM ATTENDANT CARE AND DAY CARE SERVICES AUTHORIZED UNDER THE SOCIAL SECURITY ACT, AS AMENDED, IN THE EMPLOY OF PERSONS, INCLUDING CORPORATIONS AND PRIVATE AGENCIES, WHO CONTRACT WITH THE DEPARTMENT OF HUMAN SERVICES AND WHO ARE THE RECIPIENTS OF SOCIAL SERVICE PAYMENTS”;
- (2) Replacing the request that the Legislative Reference Bureau conduct a study with a request to the Attorney General to:
 - (A) Provide a definitive legal opinion (as soon as possible) regarding whether sections 386-1, 392-3 and 393-5, Hawaii Revised Statutes, exclude from each section’s definition of “employment” those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments;
 - (B) Provide a definitive legal opinion (as soon as possible) regarding whether chapter 383, Hawaii Revised Statutes, excludes from the chapter’s definition of “employment” those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments; and
 - (C) Provide proposed legislation, if the Attorney General opines that these individuals are not already excluded from the definition of “employment”, to amend chapters 383, 386, 392, and 393, Hawaii Revised Statutes, to retroactively and prospectively exclude, from each section’s definition of “employment”, those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments; and
- (3) Ensuring that social care providers continue to operate and use their resources to provide services to elderly and disabled adults in Hawaii by requesting that the Attorney General, the Department of Labor and Industrial Relations, the Department of Taxation, and other state agencies and private entities suspend all application and enforcement, until June 30, 2007, of all of the relevant provisions of chapter 383, 386, 392, and 393, Hawaii Revised Statutes, regarding insurance, withholdings, payments, and all similar requirements on persons, including corporations and private agencies, contracting with Department of Human Services to provide attendant care and day care services authorized under the Social Security Act, as amended, as these laws relate to individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of these contracting persons; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and 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 concurs with the intent and purpose of S.C.R. No. 205, as amended herein, and recommends that it be referred to the Committee on Labor, in the form attached hereto as S.C.R. No. 205, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3634 Human Services on S.R. No. 135

The purpose of this measure is to clarify and declare that providers of domestic services who are authorized and subsidized by the Department of Human Services to provide domestic services are excluded from the application of the State's Workers' Compensation Law, Temporary Disability Law, and Prepaid Health Care Law.

Your Committee drafted a proposed Senate Draft on this measure that, among other things, requested that:

- (1) The Legislative Reference Bureau, with the assistance of the Attorney General and the Departments of Labor and Industrial Relations, Human Services, and Taxation, conduct a study on the exemptions of domestic services authorized by the Department of Human Services under the Social Security Act to:
 - (A) Provide clarification on the relationship between providers as recipients of social service payments and those employed to provide domestic services; and
 - (B) Analyze the propriety of the exemption of these domestic services from the Employment Security Law (chapter 383, Hawaii Revised Statutes);
- (2) The Attorney General, the Departments of Labor and Industrial Relations, Human Services, and Taxation, and other relevant agencies defer any enforcement action related to chapters 383 (Employment Security), 386 (Workers' Compensation), 392 (Temporary Disability), and 393 (Prepaid Health Care), Hawaii Revised Statutes, until the end of the 2007 Regular Session; and
- (3) A report and proposed legislation be submitted to the Legislature on this issue not later than twenty days prior to the convening of the 2007 Regular Session.

Your Committee finds that the Department of Human Services contracts with social care providers, including corporations and private agencies, to perform attendant care and day care services authorized under the Social Security Act, as amended.

Sections 386-1, 392-3 and 393-5, Hawaii Revised Statutes, exclude "domestic" services from the definitions of "employment" for individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of social care providers.

However, the "domestic" exemption is not included in the Hawaii Employment Security Law, chapter 383, Hawaii Revised Statutes.

Your Committee finds that it is in the public interest, benefit, and welfare to exclude from the definition of "employment" in chapters 383, 386, 392 and 393, Hawaii Revised Statutes, those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of social care providers. This would ensure that social care providers continue to operate and use their resources to provide services to elderly and disabled adults in Hawaii.

Your Committee further finds that it is in the public interest, benefit, and welfare to have a friendly regulatory environment for businesses, including consistent employment benefit laws. Therefore, your Committee finds that it is contrary to the public interest, benefit, and welfare to have inconsistent laws that exclude the "domestic" exemption in the Hawaii Employment Security Law but include the "domestic" exemption in the Hawaii Workers' Compensation law, Temporary Disability Law, and Prepaid Health Care Law.

Your Committee also finds that it would be in the public interest if the Department of Labor and Industrial Relations and other state agencies would act consistently with the intent of the Legislature to exclude social care providers and their employees who perform social services from the definition of "employment" in chapters 383, 386, 392, and 393, Hawaii Revised Statutes.

Your Committee finds that actions not consistent with this intent may jeopardize and seriously impair the ability of social care providers to continue to operate and to use their resources to provide services to elderly and disabled adults in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE ATTORNEY GENERAL TO PROVIDE A DEFINITIVE LEGAL OPINION REGARDING WHETHER CHAPTERS 383, 386, 392, AND 393, HAWAII REVISED STATUTES, EACH EXCLUDE FROM THE DEFINITION OF "EMPLOYMENT" THOSE INDIVIDUALS WHO PERFORM ATTENDANT CARE AND DAY CARE SERVICES AUTHORIZED UNDER THE SOCIAL SECURITY ACT, AS AMENDED, IN THE EMPLOY OF PERSONS, INCLUDING CORPORATIONS AND PRIVATE AGENCIES, WHO CONTRACT WITH THE DEPARTMENT OF HUMAN SERVICES AND WHO ARE THE RECIPIENTS OF SOCIAL SERVICE PAYMENTS";
- (2) Replacing the request that the Legislative Reference Bureau conduct a study with a request to the Attorney General to:
 - (A) Provide a definitive legal opinion (as soon as possible) regarding whether sections 386-1, 392-3 and 393-5, Hawaii Revised Statutes, exclude from each section's definition of "employment" those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including

corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments;

- (B) Provide a definitive legal opinion (as soon as possible) regarding whether chapter 383, Hawaii Revised Statutes, excludes from the chapter's definition of "employment" those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments; and
- (C) Provide proposed legislation, if the Attorney General opines that these individuals are not already excluded from the definition of "employment", to amend chapters 383, 386, 392, and 393, Hawaii Revised Statutes, to retroactively and prospectively exclude, from each section's definition of "employment", those individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of persons (including corporations and private agencies) who contract with the Department of Human Services to provide care services and who are the recipients of social service payments; and
- (3) Ensuring that social care providers continue to operate and use their resources to provide services to elderly and disabled adults in Hawaii by requesting that the Attorney General, the Department of Labor and Industrial Relations, the Department of Taxation, and other state agencies and private entities suspend all application and enforcement, until June 30, 2007, of all of the relevant provisions of chapter 383, 386, 392, and 393, Hawaii Revised Statutes, regarding insurance, withholdings, payments, and all similar requirements on persons, including corporations and private agencies, contracting with Department of Human Services to provide attendant care and day care services authorized under the Social Security Act, as amended, as these laws relate to individuals who perform attendant care and day care services authorized under the Social Security Act, as amended, in the employ of these contracting persons; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and 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 concurs with the intent and purpose of S.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Labor, in the form attached hereto as S.R. No. 135, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 3635 (Joint/Majority) Business and Economic Development and Tourism on S.C.R. No. 32

The purpose of this measure is to request the Attorney General to investigate possible procurement code violations committed by the Department of Business, Economic Development, and Tourism.

Your Committees received comments from the Department of Business, Economic Development, and Tourism, the Pacific Asian Affairs Council, and the Hawaii District Export Council (DEC).

Your Committees are concerned that the Department of Business, Economic Development, and Tourism may have violated state procurement laws when the department selected a nonprofit organization to handle the finances for the Governor's trade mission to China and Korea in 2005. Your Committees find that the State Procurement Office and the State Ethics Commission are the proper authorities to review this matter.

Your Committees have amended this measure by:

- (1) Deleting references to the Attorney General doing the investigation and substituting the State Procurement Office and the State Ethics Commission, and amending the title accordingly;
- (2) Adding Whereas paragraphs and clarifying Whereas paragraphs for correctness; and
- (3) Requesting the State Procurement Office and the State Ethics Commission to each separately report their respective findings and recommendations to the Legislature by September 1, 2006.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 32, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 2 (Slom, Trimble). Excused, 4 (Hee, Menor, Sakamoto, Tsutsui).

SCRep. 3636 Commerce, Consumer Protection and Housing on Gov. Msg. No. 343

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 343 GILBERT PERRY HAGER, MD, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs and the Hawaii Chapter of the American Physical Therapy Association testified in support of the nomination of Dr. Gilbert Perry Hager.

GILBERT PERRY HAGER has been a licensed physician in Hawaii since 1989, and has served on the Board of Physical Therapy as its physician member since 2003. Physical medicine and rehabilitation are Dr. Hager's specialty areas, and this expertise furthers consumer protection as it relates to the practice of physical therapy. Dr. Hager's insights into the role that physical therapists play in the treatment of patients have been especially helpful as the Board considers rule amendments to permit direct patient access to physical therapy treatment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hogue).

SCRep. 3637 Commerce, Consumer Protection and Housing on Gov. Msg. No. 344

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 344 THOMAS M. PHILLIPS, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs testified in support of the nomination of Thomas M. Phillips.

THOMAS M. PHILLIPS has had an exemplary career in the Police Department of the County of Maui since 1976, rising steadily through the ranks until he was appointed Chief of Police in 1998. He has been a conscientious and contributing member of the Board of Private Detectives and Guards since 2004, and provides invaluable technical expertise in the Board's deliberations concerning the role of private security personnel in safeguarding persons and property in our communities. Your Committee looks forward to the continuing benefits of Chief Phillips' participation in the Board's discussions and decisions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3638 Commerce, Consumer Protection and Housing on Gov. Msg. No. 345

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 345 ALLYSON M. TANOUYE, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs and four individuals testified in support of the nomination of Allyson M. Tanouye.

ALLYSON M. TANOUYE has been a licensed psychologist in good standing in Hawaii since 1993. As Director of the Counseling and Student Development Center of the University of Hawaii at Manoa, Dr. Tanouye oversees a professional staff that provides clinical services to students, faculty, and staff in one of only three internship programs in Hawaii approved by the American Psychological Association (APA). Her extensive knowledge of internship requirements is invaluable to the Board of Psychology, which evaluates applications for licensure in accordance with APA standards. Dr. Tanouye's active and dedicated participation in Board matters has led to her election as its Vice-Chairperson for the past two years.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3639 Commerce, Consumer Protection and Housing on Gov. Msg. No. 314

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 314 GORDON D. CIANO, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs, the Hawaii Society of Certified Public Accountants, and one individual testified in support of the nomination of GORDON D. CIANO.

Gordon D. Ciano has been licensed in the State as a certified public accountant with a permit to practice since 1973. Mr. Ciano has been in public practice for more than thirty years, and is currently a partner with the public accounting firm of KPMG LLP. His professional affiliations include membership in the American Institute of Certified Public Accountants as well as leadership positions with the Hawaii Society of Certified Public Accountants. Mr. Ciano currently serves as Chairperson of the Legislation and Rules Committee of the Board of Public Accountancy. Given his commitment to the Board's mission of regulating the profession and ensuring protection of the public, Mr. Ciano serves as a noteworthy example of an ideal Board member.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3640 Commerce, Consumer Protection and Housing on Gov. Msg. No. 335

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (HCDCH)

G.M. No. 335 BETTY LOU LARSON, for a term to expire 6-30-2006

The Department of Human Services, the Housing and Community Development Corporation of Hawaii (HCDCH) and the Chair of its Board of Directors, the Department of Community Services of the City and County of Honolulu, and Partners in Care testified in support of the nomination of BETTY LOU LARSON.

Betty Lou Larson, as the Continuum of Care nominee for the counties, has a wealth of experience with affordable housing and homeless issues, and with the HCDCH in particular. She serves as Housing Assistance Program Director for Catholic Charities Elderly Services. As President of the Affordable Housing and Homeless Alliance and as a member of Partners in Care, she is also well versed in the many complex issues involved in serving the homeless population, and is an able advocate for the interests and concerns of the homeless.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3641 Commerce, Consumer Protection and Housing on Gov. Msg. No. 348

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 348 LOUIS E. ABRAMS, for a term to expire 6-30-2010

The Department of Commerce and Consumer Affairs, the Real Estate Commission, the Hawaii Association of Realtors, Na Pali Properties, Inc., and one individual testified in support of the nomination of LOUIS E. ABRAMS.

Louis E. Abrams has been a licensed real estate broker since 1978 and is currently President and Principal Broker of Charlee & Associates in Koloa, Kauai. As the Kauai real estate broker member for the past four years, he is an outstanding contributor to and participant in the work of the Real Estate Commission. Mr. Abrams currently serves as Chair of the Commission's Laws and Rules Review Committee as well as Chair of its Ad Hoc Committee on Consumer-Broker Relationships. He also represents the Commission as a member of the Association of Real Estate License Law Officials, an international organization of real estate commissions from the United States, Canada, and other foreign countries. Mr. Abrams has previously served as a member of the County of Kauai Planning Commission and as an officer of the Hawaii Association of Realtors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has

found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3642 Health on Gov. Msg. No. 321

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 321 JEAN L. JOHNSON, for a term to expire 6-30-2010

Your Committee received testimony in support of JEAN L. JOHNSON from the State Council on Developmental Disabilities, the Dean of the College of Education at the University of Hawaii at Manoa, and the Director of the Center for Disability Studies at the University of Hawaii at Manoa. Dr. Johnson is currently serving on the State Council on Developmental Disabilities and is being nominated for reappointment. Dr. Johnson currently serves as an Associate Professor and the Associate Director for the Center on Disability Studies. She has been an active and contributing member to the council. Dr. Johnson has dedicated her career to community service and has already proven herself to be an asset through her leadership in assisting the State Council on Developmental Disabilities in achieving its goals.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3643 Health on Gov. Msg. No. 330

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 330 JENNIFER DIESMAN, for a term to expire 6-30-2010

Your Committee received testimony in support of JENNIFER DIESMAN from the Hawaii Medical Service Association and the State Health Planning and Development Agency. Ms. Diesman currently serves on the Honolulu Subarea Health Planning Council and is being nominated for reappointment. She is the Director of Government Relations for the Hawaii Medical Service Association and is well-respected in the community. Ms. Diesman's extensive experience in the health care field and her strong work ethic make her a valuable asset to the Health Planning Council, Honolulu Subarea.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3644 Health on Gov. Msg. Nos. 322, 323 and 324

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 322 SHARON MONELANI FOUNTAIN, for a term to expire 6-30-2010;

G.M. No. 323 BRIAN KAJIYAMA, for a term to expire 6-30-2010; and

G.M. No. 324 CHRISTINA M. PILKINGTON, for a term to expire 6-30-2010

Your Committee received testimony in support of SHARON MONELANI FOUNTAIN from the Disability and Communication Access Board. Ms. Fountain currently serves on the Disability and Communication Access Board and is being nominated for reappointment. She is a professional in the field of mental health and she is a family member of an individual with a disability. Ms. Fountain's dedication and well-rounded perspective is an asset to the Disability and Communication Access Board.

Your Committee received testimony in support of BRIAN KAJIYAMA from the Disability and Communication Access Board. Mr. Kajiyama currently serves on the Disability and Communication Access Board and is being nominated for reappointment. He was appointed to the Board mid-term in July 2004. He is a graduate student at the University of Hawaii and has speech and mobility disabilities. Mr. Kajiyama is well-respected in the community and is an asset to the Disability and Communication Access Board.

Your Committee received testimony in support of CHRISTINA M. PILKINGTON from the Disability and Communication Access Board and two individuals. Ms. Pilkington currently serves on the Disability and Communication Access Board and is being nominated for reappointment. She is a professional in the field, currently serving as the ADA Coordinator for the County of Kauai, and is the parent of an adult child with a disability. Ms. Pilkington has proven herself to be an asset to the Disability and Communication Access Board through her commitment and leadership.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3645 Health on Gov. Msg. No. 329

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 329 JULIETTE M. TULANG, for a term to expire 6-30-2009

Your Committee received testimony in support of JULIETTE M. TULANG from the State Health Planning and Development Agency. Ms. Tulang currently serves on the Hawai'i County Health Planning Council and is being nominated for reappointment. Her term will expire on June 30, 2009, as she will have served eight consecutive years on the Council. Ms. Tulang is a Foundation Associate for Hawaii Community Foundation. She has proven herself to be a valuable asset to the Hawai'i County Health Planning Council through her dedication to community service and her commitment to improving health care services in Hawaii county.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3646 Health on Gov. Msg. No. 339

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 339 GLENN ALBERT WEBSTER, for a term to expire 6-30-2010

Your Committee received testimony in support of GLENN ALBERT WEBSTER from the Department of Health. Dr. Webster currently serves on the Mental Health and Substance Abuse, Hawai'i Service Area Board and is being nominated for reappointment. He is a retired professor of philosophy and has had many of his works on nursing philosophy, theory, and practice published. Dr. Webster has been a dedicated and valuable contributor and the Mental Health and Substance Abuse, Hawai'i Service Area Board is fortunate to have him as a member.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3647 Health on Gov. Msg. No. 325

Recommending that the Senate advise and consent to the nomination of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 325 DAVID WILLIAM MAY, for a term to expire 6-30-2010

Your Committee received testimony in support of DAVID WILLIAM MAY from the Department of Health and one individual. Your Committee notes that Mr. May currently serves on the Emergency Medical Services Advisory Committee and is being nominated for reappointment. He began serving on the Committee in 2000 and was reappointed to a four-year term in 2002 to expire in 2006. This present nomination for reappointment in 2006 is to expire in 2010 which would appoint Mr. May to ten consecutive years on the Committee. Under section 26-34, Hawaii Revised Statutes, membership on any board or commission shall not exceed eight consecutive years. The Attorney General Opinion, 74-4, states that the appointee may only be appointed to another term contingent upon his resignation after his eighth consecutive year. Therefore, your Committee finds that Mr. May's July 2006 appointment to the

Emergency Medical Services Advisory Committee is contingent on his resignation from the Committee no later than June 30, 2008. Mr. May is a Registered Nurse at Maui Memorial Medical Center. His experience with air ambulance and emergency medical services enables him to be a valuable asset to the Emergency Medical Services 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3648 Media, Arts, Science and Technology on Gov. Msg. No. 334

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 334 KIYOSHI IKEDA, Ph.D., for a term to expire 6-30-2010

Dr. KIYOSHI IKEDA currently serves as the Chairperson of the Hawaii Historic Places Review Board. He received his Bachelor's of Arts and Masters of Arts degrees in Sociology from the University of Hawaii at Manoa and his Doctorate in Sociology from Northwestern University. After teaching Sociology for several years at the University of Wisconsin and Oberlin College, Dr. Ikeda returned to Hawaii and taught Sociology at the University of Hawaii at Manoa, where he also served for several years as the Chairperson of the Sociology Department before he retired in 2000. Dr. Ikeda also has extensive involvement and experience in University of Hawaii academic affairs and services, many years of community service, and numerous professional organization awards and honors.

Your Committee received testimony in support of Dr. Kiyoshi Ikeda's nomination from the Department of Land and Natural Resources; Alu Like, Inc.; Papa Ola Lokahi; and two individuals.

Your Committee finds that due to his extensive background in historic preservation and knowledge of historic properties located in Hawaii, Dr. Ikeda will continue to be an asset on the Hawaii Historic Places Review Board. His nomination will fulfill the federally required sociologist seat on the Review Board. Dr. Ikeda is able to provide sociological and knowledgeable insights with local perspectives when reviewing and making recommendations of places that have been referred to the Review Board.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3649 Tourism on Gov. Msg. Nos. 356 and 357

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 356 VERNON FOOK LEONG CHAR, for a term to expire 6-30-2010.; and

G.M. No. 357 KAWAIKAPUOKALANI K. HEWETT, for a term to expire 6-30-2010

Your Committee received testimony in support of VERNON FOOK LEONG CHAR from the Hawaii Tourism Authority; the Department of Business, Economic Development, and Tourism; the President of the University of Hawaii; Hawai'i Hotel & Lodging Association; Maui Divers of Hawaii; and three individuals.

The nominee is a reappointment, representing the public (at large/Oahu) from a list submitted by the Speaker of the House of Representatives. The nominee has been the senior partner in the law firm of Char Sakamoto Ishii Lum & Ching since 1988. Prior to that, he was at the law firm of Damon Key Char & Bocken, from 1966 to 1988, and was a Deputy Attorney General from 1959 to 1961 and from 1963 to 1965. The nominee received an LLB degree from Harvard Law School and a BA degree from the University of Hawaii. He is active in various University of Hawaii organizations and receive the Distinguished Alumni Award in 1992. The nominee has also served as the Chair of the Hawaii State Ethics Commission and the Hawaii Bicentennial Commission, U.S. Constitution.

Your Committee notes from the nominee's personal statement and his testimony that he believes the Hawaii Tourism Authority needs to continue to work for greater integration between the visitor industry and resident groups to provide sponsorships of events. The nominee also believes that the Hawaii Tourism Authority has a role in arranging partnerships between the counties, the Department of Land and Natural Resources for parks and hiking, the Department of Transportation for harbors and airports, and the visitor industry.

Your Committee received testimony in support of KAWAIKAPUOKALANI K. HEWETT from the Hawaii Tourism Authority; the Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; JALPAK INTERNATIONAL HAWAII, INC.; Hawai'i Hotel & Lodging Association; ResortQuest Hawaii; Hawaii Island Economic Development Board; and the Hula Supply Center.

The nominee is a reappointment, representing the position for Hawaiian expert/Oahu from a list submitted by the Speaker of the House of Representatives. The nominee has been the Director/Kahuna Ho'ola of the Hawaiian Cultural Healing Program at the Waimanalo Health Center since 1996. He has also been the Director of Hawaiian Culture and Events for the Royal Lahaina Resort since 1989. He received a B.A. degree in Liberal Studies, Hawaiiana from the University of Hawaii at Hilo and an Associate of Arts degree from Windward Community College. In addition, he received specialized training from his grandmother, Eva Kana'e, in music, hula, la'au lapa'au, lei making, and Hawaiian language. Under the tutelage of Aunty Edith Kanaka'ole, he was instructed in oli, hula, and the Hawaiian language. He has also been recognized as a protege of Aunty Emma DeFries, who further enlightened him with knowledge of music, hula, oli, la'au lapa'au, and the Hawaiian language. The nominee's participation and accomplishments in Hawaiian culture, hula, music, and language organizations and activities are abundant, including lectures, writing, television performance, and music composition and performance.

Your Committee notes from the nominee's personal statement and testimony that he intends to focus on strengthening the relationship between the Hawaiian community, local community, and the Hawaii Tourism Authority to ensure the continuity of the Aloha Spirit, which embraces tourism in Hawaii. How the tourism industry embraces the Hawaiian and local communities will portend the future of how the Hawaiian and local communities embrace the tourism industry.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Tsutsui).

SCRep. 3650 Commerce, Consumer Protection and Housing on H.C.R. No. 112

The purpose of this measure is to request the Auditor to conduct a sunrise review that analyzes the probable effects of the proposed regulation of athlete agents and assesses whether its enactment is consistent with state policy.

Testimony in support of this measure was submitted by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and the Commission to Promote Uniform Legislation.

Your Committee finds that proposed legislation from this session, H.B. No. 2440, H.D.2, S.D.2, seeks to regulate athlete agents by providing for the registration, certification, and background check of athlete agents seeking to represent student athletes in this State. Your Committee further finds that, barring any exemption that may be adopted by the Legislature from a sunrise review, the proposed regulation is subject to a sunrise review.

Your Committee has amended this measure by replacing references to H.B. No. 2440 with H.B. No. 2440, H.D.2, S.D.2, as recommended by the Professional and Vocational Licensing Division because this is the proposed legislation in its most current form.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 112, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3651 Education and Military Affairs on H.C.R. No. 75

The purpose of this measure is to encourage the Department of Education to consider using a design-build process for the construction of physical education and athletic facilities at the site of the former Kapiolani Community College for use by McKinley High School, and to report back to the Legislature.

Your Committee received testimony in support of this measure from McKinley High School and the Athletic Directors and Coaches Association of Hawaii. Comments in support of the intent of this measure were received from the Department of Education Honolulu District Complex Area Superintendents.

Your Committee finds that the Department of Education report should include a way to look into contributions from developers, particularly in the Kaka'ako area, to add to the local resources available for educational and recreational facilities.

Your Committee has amended this measure by:

- (1) Adding a component of the Department of Education report to include an investigation into public-private partnerships to raise financial support for educational and recreational facilities in the area;
- (2) Acknowledging the large amount of development going on in the area and its impact on the community; and

(3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3652 Education and Military Affairs on H.C.R. No. 48

The purpose of this measure is to request that the federal government allow National Guard members and military reservists who satisfactorily complete twenty years or more of military service to receive retirement benefits beginning at age fifty-five.

Your Committee received testimony in support of this measure from State Department of Defense, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the Chamber of Commerce of Hawaii Armed Services Committee, and two individuals.

Your Committee finds that currently, members of the National Guard and reserves with twenty or more years of service must wait until the age of sixty before receiving a pension, in contrast to members of the active military with similar service records who receive pensions immediately upon retirement. Your Committee further finds that the term "full retirement benefits" does not mean that each retiree shall receive the same amount; pensions would still be prorated based upon years of service. The intent of the measure is to avoid a reduction in the pension amount if the National Guard or reservist member retires between the ages of fifty-five and sixty.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3653 Energy, Environment, and International Affairs on H.C.R. No. 34

The purpose of this measure is to declare March 1st as a day of remembrance for the people of the Republic of the Marshall Islands who suffer severe health consequences as a result of nuclear weapons testing that was conducted in that region by the United States. The measure also requests the United States Congress to atone for this nation's mistake by providing for the full health needs and appropriate property damage claims of victims and by paying for the environmental remediation.

No testimony was submitted regarding this measure.

Your Committee finds that it is important to remember the mistakes of our past to prevent them from being repeated, and that the United States Congress should provide full and just compensation to the people of the Republic of the Marshall Islands to try to rectify the harm to health and the environment that resulted from nuclear testing in that region.

Your Committee amended this measure by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 34, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3654 Energy, Environment, and International Affairs on H.C.R. No. 274

The purpose of this measure is to express strong support for maintaining peace in the Asia-Pacific region.

One member of the House of Representatives submitted testimony in support of this measure.

The United States President has followed a positive policy of seeking dialogue with North Korea in an effort to convince that country to abandon its nuclear program and institute appropriate international safeguards. Your Committee finds that diplomatic engagement is more favorable than unilateral military action in that region and that Hawaii should express its support of this policy as a means of maintaining peace in the Asia-Pacific region.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 274, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3655 Energy, Environment, and International Affairs on H.C.R. No. 275

The purpose of this measure is to express support for continuing persistent and skillful diplomacy to resolve nuclear proliferation issues with the Islamic Republic of Iran.

One individual submitted testimony in support of this measure.

The Islamic Republic of Iran (Iran) is conducting a uranium enrichment program which could lead to the development of a nuclear weapon. The United States, through the use of diplomacy and with the collective pressure and support of its allies and friends, has persuaded the International Atomic Energy Agency to refer Iran to the United Nations Security Council. The United States should continue this course of diplomacy with Iran. Your Committee finds that Hawaii should express its strong support for the continuance of persistent and skillful diplomacy as a means of resolving nuclear proliferation issues with Iran.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 275, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3656 (Joint) Energy, Environment, and International Affairs and Human Services on H.C.R. No. 67

The purpose of this measure is to support International Women's Day and request the United States Senate to ratify the United Nations' Convention on the Elimination of All Forms of Discrimination against Women.

The League of Women Voters of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, and one individual submitted testimony in support of this measure.

The United Nations' Convention on the Elimination of All Forms of Discrimination against Women is the most comprehensive treaty ensuring the fundamental human rights and equality of women. One hundred and seventy nations have endorsed this treaty. The United States is the only industrialized country that has not ratified it, placing this nation in the company of countries like Iran, Sudan, and Somalia. Your Committees find that the United States should ratify the Convention and commit to eliminating all forms of discrimination against women worldwide.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 67, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Ihara, Hemmings, Trimble).

SCRep. 3657 Energy, Environment, and International Affairs on H.C.R. No. 230

The purpose of this measure is to approve and authorize the establishment of state-province relations of friendship between Hawaii and the Province of Isabela of the Republic of the Philippines.

The Department of Business, Economic Development and Tourism; the University of Hawaii; and three individuals submitted testimony in support of this measure.

Your Committee finds that a state-province relationship with the Province of Isabela in the Republic of the Philippines would mutually benefit both regions by promoting international friendship and understanding, and help to maintain close cultural, commercial, and financial ties between Filipinos living in Hawaii and their relatives, friends, and business counterparts in the Philippines.

Your Committee notes that a measure was introduced in the House that, if passed, would establish a committee to evaluate and recommend sister-state relationships. If established, one of the first tasks of the committee should be to evaluate the establishment of state-province relations between Hawaii and the Province of Isabela, and to make recommendations regarding that relationship to the 2007 Legislature.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3658 Judiciary and Hawaiian Affairs on H.C.R. No. 232

The purpose of this measure is to urge the Office of Hawaiian Affairs to convene a task force to consider the merits of creating a monument to the citizens of the Kingdom of Hawaii, in collaboration with Hawaiian organizations, respected kupuna in the Hawaiian community, and the Department of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and twenty individuals.

Your Committee finds that a monument that pays tribute to and memorializes the valued contributions of the ali'i and the maka'ainana of the former Kingdom of Hawaii will contribute to a better understanding of the native culture, language, and history of Hawaii's indigenous people. Your Committee further finds that the Office of Hawaiian Affairs is the appropriate agency to convene a task force to examine the merits and feasibility of such a monument.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 3659 Judiciary and Hawaiian Affairs on H.C.R. No. 74

The purpose of this measure is to request the Department of Public Safety to submit a report on the status of the planned correctional facility in Puunene on the island of Maui.

Your Committee received comments from the Department of Public Safety.

Your Committee finds that the overcrowding of jails and prisons in Hawaii must be addressed. Previously, the Legislature granted moneys to the Department of Public Safety to plan and design a new facility in Puunene on Maui to alleviate some of the overcrowding. However, the Legislature has not been provided with any information regarding whether progress has been made on the plan and design of this facility. Therefore, this measure will ensure that the Legislature will be kept abreast of any progress made thus far and any future plans for this facility.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 74, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 3660 Judiciary and Hawaiian Affairs on H.C.R. No. 119

The purpose of this measure is to urge the President and Congress of the United States to ratify the amendments made to the Hawaiian Homes Commission Act of 1920, as amended, as embodied in Act 302, Session Laws of Hawaii 2001. This measure also urges the President and Congress to recognize Hawaiian homestead community organizations as self-governing administrative authorities for their respective communities.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands.

Your Committee finds that in 2001, the Hawaii State Legislature passed and the Governor enacted Act 302, Session Laws of Hawaii 2001 (Act 302). The purpose of Act 302 was to amend the Hawaiian Homes Commission Act of 1920, as amended, to promote increased self-governance by providing Hawaiian homestead community organizations with administrative authority over the affairs of their distinct native communities on Hawaiian Home Lands. To date, the United States Congress has failed to act on approving the amendments. This measure urges both the United States Congress and President to ratify the amendments made by Act 302 to the Hawaiian Homes Commission Act of 1920, as amended, to recognize Hawaiian homestead community organizations as self-governing administrative authorities for their respective communities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 3661 Energy, Environment, and International Affairs on H.C.R. No. 243

The purpose of this measure is to condemn the genocide in western Sudan and to urge the United States Congress, with the support of the President, to engage the international community to take action to protect the people of Darfur.

Hawaii County submitted testimony in support of this measure.

Three years have passed since the media began releasing images of the mass displacement, human misery, and killings in western Sudan where now over two million people remain in camps and the death toll of men, women, and children is estimated to be more than one hundred and eighty thousand. The United States President and the current and former Secretaries of State have declared the acts in western Sudan to be genocide.

Your Committee finds that the continuing atrocities in Darfur demand an aggressive response from the international community and that the United States President, Department of State, and Congress should be urged to take action to protect the people of Darfur.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3662 (Joint) Energy, Environment, and International Affairs and Business and Economic Development on H.C.R. No. 273

The purpose of this measure is to request the United States Trade Representative to include a representative of the State of Hawaii in the membership of the Intergovernmental Policy Advisory Committee on Trade and to designate that representative as the single point of contact for the State.

One member of the House of Representatives submitted testimony in support of this measure.

The Intergovernmental Policy Advisory Committee on Trade was established by the Trade Act of 1974 and advises the United States Trade Representative on pending trade agreements and their impacts on United States regional economies and state and local governments. The United States Trade Representative has extraordinary powers to negotiate and represent this nation's interest in trade agreements and disputes.

This measure helps to ensure that our State can voice its concerns regarding the establishment and maintenance of trade agreements that could impact our state economy. Your Committee finds that it is essential that our legislature is kept abreast of issues pending before the United States Trade Representative so that it can deliberate and weigh in on these important issues.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 273, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Menor, Hemmings, Trimble).

SCRep. 3663 (Joint) Business and Economic Development and Energy, Environment, and International Affairs on H.C.R. No. 82

The purpose of this measure is to diversify the State's economy by supporting the development of an Asian-focused fund management industry in Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, and the Pacific American Foundation.

Asian economies and their respective capital markets represent the largest opportunity for economic growth. Hawaii can potentially benefit from this growth by becoming a financial service center that targets Asia-Pacific fund management. Hawaii has many favorable attributes that attracts an Asia-focused capital market, including a more convenient time zone that allows Asia-based managers to operate within relatively normal business hours, and a multicultural and multiethnic population.

Your Committees find that supporting the development of a strategy to establish an Asian-focused fund management industry in Hawaii will have numerous economic and financial benefits for the State. The fund management industry has the potential to provide jobs for state residents and attract former local residents back to Hawaii for employment, diversify the state economy, produce additional tax revenues for the State, boost and diversify the tourism industry, support the local financial industry, and expand the State's financial pool.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 82, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Menor, Hemmings, Trimble).

SCRep. 3664 Health on Gov. Msg. No. 340

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD

G.M. No. 340 BRENDA K. VIADO, MA, BAE, CRC, for a term to expire 6-30-2010

Your Committee received testimony in support of BRENDA K. VIADO from the Department of Health and one individual. Ms. Viado currently serves on the Mental Health and Substance Abuse, Kaua'i Service Area Board and is being nominated for reappointment. She is a certified rehabilitation counselor and has over thirty-one years of experience in the field. Ms. Viado has proven to be a valuable and contributing member of the Mental Health and Substance Abuse, Kaua'i Service Area Board, where she serves as its chair.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3665 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 327 and 328

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 327 DONALD S.M. CHANG, for a term to expire 6-30-2007; and

G.M. No. 328 FRANCIS KAHOU LUM, for a term to expire 6-30-2010

Your Committee received testimony in support of DONALD S.M. CHANG from the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, Hui Kako`o `Aina Ho`opulapula, the State Council of Hawaiian Homestead Associations, and seven individuals.

Mr. Chang received his high school diploma from Maryknoll School and attended the University of Hawaii. Employed by the City and County of Honolulu as a fire fighter in various positions since 1957, Mr. Chang was the Fire Chief from 1993 to 1994. He has since retired but has remained active in a variety of community and civic organizations.

Your Committee finds that Mr. Chang will bring a strong administrative background and an open mind to the Department of Hawaiian Home Lands.

Your Committee received testimony in support of FRANCIS KAHOU LUM from the Department of Defense, the Department of Hawaiian Homelands, the Office of Hawaiian Affairs, Hawaiian Community Assets, Hui Kako`o `Aina Ho`opulapula., the State Council of Hawaiian Homestead Associations, and four individuals.

Mr. Lum received his high school diploma from St. Louis High School in 1948 and worked for the Judiciary from 1948 through 1952. He served in the Hawaii National Guard beginning in 1952. Mr. Lum has been the Chief of Protocol for five Governors, beginning with Governor Burns in 1967.

Your Committee finds that the Department of Hawaiian Homelands will greatly benefit from Mr. Lum's knowledge and understanding of state government and government protocol procedures.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3666 Judiciary and Hawaiian Affairs on Gov. Msg. No. 349

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 349 BEVERLY JEAN WITHINGTON, for a term to expire 6-30-2010

Your Committee received no testimony regarding the nomination of BEVERLY JEAN WITHINGTON for reappointment to the Board of Registration for the Island of Hawaii.

Ms. Withington received her registered nursing degree in 1956. In 1982, she received her bachelor of arts degree from the University of Hawaii at Hilo. That same year, she received her bachelor of science degree in nursing from the University of Hawaii at Manoa. In 1986, Ms. Withington received her juris doctorate from the William S. Richardson School of Law. From 1987 through 2000, Ms. Withington was an attorney with the Office of the Corporation Counsel for Hawaii County. She currently has her own law practice.

Your Committee finds that the Board of Registration for the Island of Hawaii will be well served with the reappointment of Ms. Withington.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3667 Judiciary and Hawaiian Affairs on Gov. Msg. No. 350

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF OAHU

G.M. No. 350 LISA KEALA CARTER, for a term to expire 6-30-2010

Your Committee received no testimony regarding the nomination of LISA KEALA CARTER for reappointment to the Board of Registration for the Island of Oahu.

Ms. Carter received her bachelor of arts degree in political science from the University of Hawaii. She also spent one year in the Public Administration program at the University of Hawaii. From 1983 through 1988, Ms. Carter was a researcher for the State Senate Minority Research Office. From 1988 through 1989, she was a legislative researcher for City Council member John Henry Felix. Thereafter, Ms. Carter was an editorial assistant for the Punahou School Bulletin and a day care director. She is currently an administrative supervisor at the Trust for Public Land and is also self-employed.

Your Committee finds that Ms. Carter has served on the Board previously and served as the Chair during two elections.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 3668 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 368 and 369

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 368 THOMAS T. WATTS, for a term to expire 6-30-2006; and

G.M. No. 369 THOMAS T. WATTS, for a term to expire 6-30-2010

THOMAS T. WATTS has been nominated to serve as a commissioner for a term to expire on June 30, 2006, and also for a subsequent term to expire June 30, 2010.

Your Committee received testimony in support of Mr. Watts from the Crime Victim Compensation Commission, Foster Family Programs of Hawai'i, Fiberglass Hawaii, and four individuals.

Mr. Watts received his bachelor of science degree from Cornell University in 1969 and his juris doctorate from Michigan Law School in 1972. He has been an attorney in private practice since 1975.

Your Committee finds that Mr. Watts' commitment to restorative justice and to holding offenders financially accountable will be a valuable asset to the Commission and will assist the Commission in its mission of providing compensation for the victims of violent crimes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3669 Judiciary and Hawaiian Affairs on Gov. Msg. No. 370

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

G.M. No. 370 JEFFREY ALAN HAWK, for a term to expire 6-30-2010

Your Committee received testimony in support of Jeffery Alan Hawk's nomination from the Office of the Public Defender and thirteen individuals.

Mr. Hawk received his bachelor of arts degree from the University of California, Berkeley, in 1989. He received his juris doctorate degree from the William S. Richardson School of Law in 1997.

Professionally, Mr. Hawk was a paralegal with the law offices of Stanton Clay Tom Chapman & Crumpton from 1993 to 1994. From 1998 to April 2003, Mr. Hawk was a deputy public defender. He is currently a partner with the law offices of Hawk Sing & Ignacio specializing in criminal law.

Your Committee finds that Mr. Hawk will be a valuable addition to the Defender Council and will assist the Office of the Public Defender in fulfilling its mission of effective representation of indigent persons charged with criminal offenses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3670 Judiciary and Hawaiian Affairs on Gov. Msg. No. 373

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 373 DANE K. ODA, for a term to expire 6-30-2010

Your Committee received testimony in support of DANE K. ODA's nomination from three members of the House of Representatives; the Chairman of the Hawaii Paroling Authority; a member of the Hawaii Paroling Authority; Grove Farm Company, Incorporated; and five individuals.

Mr. Oda received his bachelor of arts degrees in sociology and psychology from the University of Hawaii in 1970. He received his master of arts in sociology from the University of Hawaii in 1971.

Mr. Oda was research assistant for the State Law Enforcement and Juvenile Delinquency Planning Agency in 1971, and then became a research coordinator for the County of Kauai's Prosecuting Attorney's Office. During this time period, he was also an instructor at Kauai Community College. In February 1973, Mr. Oda became a member of the Kauai Police Department, rising to the rank of sergeant. He joined McCabe, Hamilton & Remy as the Kauai Terminal Manager in 1981 and held that position until December 2002.

Your Committee finds that Mr. Oda has been a member of the Hawaii Paroling Authority from July 2003 and since that time, Mr. Oda has consistently and conscientiously rendered decisions that are fair, firm, and consistent with public welfare. Mr. Oda has displayed mature judgment, keen insight, and an awareness of the complex issues that face parole board members.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3671 Commerce, Consumer Protection and Housing on Gov. Msg. No. 365

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 365 ROBERT M. LEE, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of ROBERT M. LEE from the Department of Commerce and Consumer Affairs.

Mr. Lee's vast experience with boxing in Hawaii is unmatched. Among the positions he has held in his long career include Amateur Boxing Champion in the Territory of Hawaii; licensed boxing referee and judge; Hawaii Boxing coach, trainer, and manager; Chief Boxing Inspector, State of Hawaii; Executive Secretary, Hawaii Boxing Commission; President, World Boxing Association; and Advisor, Hawaii Boxing Commission.

Your Committee finds that, as a current board member, Mr. Lee is an active, dedicated, and objective member of the Commission who should be reappointed. His reappointment will ensure continuity of the Commission's efforts to effectively oversee boxing in this State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has

found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3672 Commerce, Consumer Protection and Housing on Gov. Msg. No. 376

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 376 JOEL C. PERALTO, CPA, for a term to expire 6-30-2010

Testimony in support of the nomination of JOEL C. PERALTO was submitted by one Senator, one member of the House of Representatives, the Hawaii Society of Certified Public Accountants, James M. Yoshiyama CPA, Inc., Deter & Williams Certified Public Accountants, and the Director of the School of Accountancy at the University of Hawaii at Manoa.

Joel C. Peralto is a Professor of Accounting at the Hawaii Community College in Hilo, and is a licensed certified public accountant who holds a current permit to practice. He has been active in the accounting field for thirty-four years. He is committed to teaching and counseling new entrants to the field, and to maintaining integrity and honesty within the profession while serving and protecting the interest of the public through regulation of the industry.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3673 Commerce, Consumer Protection and Housing on Gov. Msg. No. 380

Recommending that the Senate advise and consent to the nomination of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 380 RANDALL B.C. LAU, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of RANDALL B.C. LAU from StarCom Builders, Inc.; Hidano Construction, Inc.; Building Industry Association-Hawaii; and Associated Builders and Contractors, Inc., Hawaii Chapter.

Mr. Lau is both a general contractor and an architect, bringing a unique perspective to the duties of the Contractors License Board. His extensive experience in the industry includes President, Designer Built Systems, Inc.; 2001 President, Building Industry Association-Hawaii; Director, Society of American Military Engineers; and Instructor in various training programs including the Carpenter Apprentice Training Program.

Your Committee finds that Mr. Lau meets the qualifications for service on the Contractors License Board as an active general contractor representing Oahu. Based on the testimony, Mr. Lau is a role model and mentor to others in the industry. He will bring a wealth of information, knowledge, and experience to the Contractors License Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3674 Commerce, Consumer Protection and Housing on Gov. Msg. No. 391

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 391 DANIEL NELSON, JR., for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of DANIEL NELSON, JR., from the Hoisting Machine Operator's Advisory Board and the Joint Apprenticeship Committee for Hawaii of Operating Engineers Local Union No. 3.

Mr. Nelson has been a crane operator since 1966 and has served as the Coordinator/Instructor for the Operating Engineers Joint Apprenticeship Committee training program for apprentices and journeypersons since 1995. Your Committee finds that Mr. Nelson's extensive experience as a crane coordinator and instructor qualifies him to serve on the Hoisting Machine Operators Advisory Board. Your Committee further finds that his knowledge of and experience with the construction industry and licensing for certification will be an asset to the Board and to the working people of this State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3675 Commerce, Consumer Protection and Housing on Gov. Msg. No. 392

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 392 JOY EMI SAKAMOTO, for a term to expire 6-30-2010

JOY EMI SAKAMOTO has been self-employed as a massage therapist since 1996 and is currently licensed to practice through June 30, 2006. She also continues to work part-time at the orthopedic clinic which she and her husband operate on Maui. She is looking forward to the opportunity of enhancing and maintaining the quality of her profession through service on the Board of Massage Therapy, with a focus on enforcement of rules and regulations.

No testimony was received on the nominee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3676 Commerce, Consumer Protection and Housing on Gov. Msg. No. 394

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 394 LAURIE H.Y. KAWAMURA, for a term to expire 6-30-2010

Testimony in support of the nomination of LAURIE H.Y. KAWAMURA was submitted by the Chief of Pharmacy Services at Schofield Barracks Army Health Clinic, and three individuals.

Laurie H.Y. Kawamura is currently senior sales consultant for sanofi-aventis Pharmaceuticals, and has previous experience as a sales consultant for Novartis Pharmaceuticals, new product introduction planner for Hewlett Packard Company, and assistant product manager for Levi Strauss & Company. Her references indicate that she is a genuine patient advocate with a dedication to community service and a commitment to consumer safety, who is also concise, accurate, and well-informed in her professional communications.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3677 Commerce, Consumer Protection and Housing on H.C.R. No. 64

The purpose of this measure is to urge Hawaii's Congressional delegation to support and secure passage of federal legislation establishing a catastrophic reinsurance fund to support state efforts to keep homeowners' disaster insurance affordable.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs. The Hawaii Association of Realtors submitted comments.

Your Committee finds that the federal legislation (the Homeowner's Insurance Protection Act of 2005) supported by this concurrent resolution would provide a federal backstop in the form of lower-cost reinsurance to encourage states to create a catastrophic fund to

help homeowners obtain affordable insurance. Your Committee notes that the state fund contemplated by the federal legislation differs from that already enacted in the Hawaii hurricane relief fund. While recognizing that the intensity of large natural disasters in recent years requires increased federal assistance, your Committee finds that the intent and principal of the Hawaii hurricane relief fund should also be preserved.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3678 Commerce, Consumer Protection and Housing on H.C.R. No. 245

The purpose of this measure is to:

- (1) Request Del Monte to continue to operate Kunia Camp until at least December 2008, or offer financial assistance to aid the current residents seeking alternative affordable housing;
- (2) Request the Estate of James Campbell to allow current residents to continue to reside at Kunia Camp by entering into an agreement with the Kunia Camp Association for the lease of parcels until at least December 2008 or until the residents find alternative affordable housing; and
- (3) Request Del Monte to negotiate fairly with the International Longshore & Warehouse Union (ILWU) for enhanced severance and medical coverage benefits to assist the employees in their transition.

Testimony in support of the measure was submitted by the ILWU Local 142 and the Hawaii Government Employees Association. The Estate of James Campbell submitted comments indicating its support of the intent of this concurrent resolution.

Your Committee finds that the closure of Del Monte in 2008 will leave seven hundred pineapple production workers unemployed, and could result in the eviction of more than five hundred residents from one hundred twenty homes at Kunia Camp. Your Committee further finds that the ILWU is already in negotiations with Del Monte on the effects of the closure, and that Campbell Estate is working with the union and has received an affirmative response to its request that Del Monte continue to operate Kunia Camp and refrain from taking any "precipitate action." Nevertheless, your Committee finds that simply turning over the homes, now owned by Del Monte, to the Kunia Camp Association will not be sufficient action, as the infrastructure and structures do not meet current code requirements of the City and County of Honolulu. Accordingly, your Committee finds that continued legislative oversight and involvement with the Kunia Camp situation is required to ensure the best possible solutions for the community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3679 (Joint) Media, Arts, Science and Technology and Energy, Environment, and International Affairs on H.C.R. No. 109

The purpose of this measure is to support the planned celebrations in Fukuoka in May and September 2006 commemorating the twenty-fifth anniversary of the Fukuoka and Hawaii sister-state relationship.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Fukuoka Kenjin Kai, and one individual.

The idea to establish a sister-state relationship between Fukuoka Prefecture and Hawaii began at the Fifteenth Japan-American Conference of Mayors and Chamber of Commerce Presidents in 1980. One year later, the sister-state relationship was created, which also initiated a direct international air route between Fukuoka and Honolulu. This sister-state relationship has established a series of mutually beneficial programs over the years including yearly visits by Fukuoka Assembly Members to the opening day of the Hawaii Legislature, school visits and exchange programs, annual high school fishing vessel visits, and regular participation from Fukuoka groups in the two annual Japan festivals and parades in Waikiki. There are two events currently being planned in Fukuoka to celebrate the twenty-fifth anniversary of the Fukuoka and Hawaii sister-state relationship. The event planned for in May 2006 will be in conjunction with the Department of Business, Economic Development, and Tourism's Trade Exposition, and the other in September 2006 will be in conjunction with an educational and cultural visit by Nainoa Thompson and the Hawaii Board of Education.

Your Committees find that the sister-state relationship between Fukuoka and Hawaii has played a key role in promoting and maintaining business, tourism, and educational opportunities in Hawaii as well as enhancing the cultural understanding and appreciation between the two. It is important to continue this sister-state relationship; thus, your Committees strongly encourage legislative support of the planned 2006 commemoration of the twenty-fifth anniversary of the Fukuoka and Hawaii sister-state relationship.

Your Committees have amended this measure by:

- (1) Adding 2006 to the title to clarify that the twenty-fifth anniversary commemoration is planned for this year;

- (2) Adding the event planned for in September 2006 in addition to the May 2006 event to clarify that there will be two events that will each celebrate the twenty-fifth anniversary; and
- (3) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 109, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 109, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Ige, Ihara, Hemmings).

SCRep. 3680 Human Services on S.R. No. 161

The purpose of this measure is to support social and economic equality for all of Hawaii's residents by providing that the Legislature will discuss and address the impact that each bill has on the overall income, wealth, and social inequality in the State.

Your Committee received testimony in support of the measure from fifty-nine individuals.

Your Committee finds that this measure supports the consideration of the overall impact legislative action has on the people of the State and emphasizes the Legislature's responsibility to strive for social and economic equality, while protecting and assisting the State's disadvantaged and marginalized populations.

Your Committee has amended this measure to reflect the Legislature's cooperation with Hawaii's Congressional delegation, the Governor, community groups, and the individuals of Hawaii to provide for the general welfare of the State, and by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 161, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 161, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3681 Human Services on H.C.R. No. 57

The purpose of this measure is to urge our Congressional delegation to support laws to assist hungry Americans.

One member of the Hawaii State Senate and the Hawaii Food Bank submitted testimony in support of the measure.

Your Committee finds that an important element of the crusade to end hunger in America is providing incentives for charitable contributions. This measure urges Hawaii's Congressional delegation to support the passage of laws that provide incentives to businesses and individuals for charitable contributions to hunger relief programs. It further urges the delegation to support adequate funding for all federal nutrition programs, including the Food Stamp Program and the Commodity Supplemental Food 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 concurs with the intent and purpose of H.C.R. No. 57, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3682 Human Services on H.C.R. No. 8

The purpose of this measure is to request the Department of Human Services to conduct a study of the shortage of infant and toddler child care providers in Hawaii and to provide recommendations to address the shortage.

Your Committee received testimony in support of the measure from a member of the House of Representatives.

Your Committee finds that this measure will stimulate the identification of solutions addressing the current shortage of infant and toddler child care providers, facilities, and services 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 concurs with the intent and purpose of H.C.R. No. 8, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3683 (Joint) Human Services and Health on H.C.R. No. 41

The purpose of this measure is to designate March as Caregivers' Month in Hawaii.

Your Committees received testimony in support of the measure from the Executive Office on Aging.

Your Committees find that this measure highlights the contributions caregivers make to our society, acknowledges the value of their assistance, and designates a specific time period to recognize caregivers for the vital service they provide.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

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. 41, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 3684 Human Services on H.C.R. No. 35

The purpose of this measure is to request the Department of Human Services to convene a working group of affected stakeholders to determine the feasibility of implementing procedures governing placement of children in temporary foster care with kin or non-kin foster parents.

Your Committee received testimony in support of the measure from the Department of Human Services, the Office of Hawaiian Affairs, Na Kupuna Tribunal, Hui O Ka Nani O Kahana, and two individuals.

Your Committee finds that this measure will promote discussion among the various stakeholders about policies and procedures regarding the placement of children in temporary foster custody, whether with kin or non-kin foster custodians.

Your Committee has amended this measure to clarify its title and by adding the following stakeholders to the groups to be involved in the requested working group:

- (1) Parents whose children are or have been involved with Child Protective Services;
- (2) Other relatives of children who are or have been involved with Child Protective Services;
- (3) The Legal Aid Society of Hawaii;
- (4) Na Kupuna Tribunal; and
- (5) The Hawaii Family Forum.

Your Committee also has amended this measure by 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3685 Intergovernmental Affairs on H.C.R. No. 262

The purpose of this measure is to request the City and County of Honolulu Department of Transportation Services to install a lighted crosswalk on Kamehameha Highway in Kaneohe between Lilipuna Road and Mehana Street, and to establish a marked crosswalk on Keolu Drive near Kaelepulu Elementary School.

One individual submitted testimony in support of this measure.

Accidents and near-misses are frequently reported to occur on the segment of Kamehameha Highway between Lilipuna Road and Mehana Street. Although a marked crosswalk exists in that location, it is difficult to see pedestrians. Also, pedestrians, including students, do not have a marked crosswalk on Keolu Drive near Kaelepulu Elementary School. Your Committee finds that a lighted crosswalk between Lilipuna Road and Mehana Street and a marked crosswalk on Keolu Drive near Kaelepulu Elementary School would improve public safety.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 262, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3686 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.C.R. No. 12

The purpose of this measure is to request Hawaii's Congressional delegation to seek federal funding to be used for programs and measures intended to contain and eradicate coqui frogs in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture and the Department of Land and Natural Resources.

Your Committees have amended this measure by replacing its contents with S.C.R. No. 14, S.D. 1, which expands the scope of the request to include the prevention and the eradication of all invasive species threatening Hawaii's natural environment and resources.

Your Committees finds that the threat of invasive species entering the State is not a new one. In fact, Hawaii's Congressional delegation has diligently worked to secure federal funds for the control and eradication of the brown tree snake. The federal money received helped to fund various control measures, research, prevention, and eradication of the brown tree snake. These efforts have significantly reduced the threat that the snake poses to Hawaii's natural ecosystem and economy. This measure, as amended, requests Hawaii's Congressional delegation to work with that same vigor and commitment to secure money for the eradication of all invasive species in the State.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 12, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 12, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, English, Inouye, Hemmings).

SCRep. 3687 Water, Land, and Agriculture on H.C.R. No. 30

The purpose of this measure is to urge the Hawaii Community Development Authority to immediately rescind both its request for proposals and any commitment made to Alexander & Baldwin Properties, Inc. for the development of Kakaako Makai.

Testimony in support of this measure was submitted by a City and County of Honolulu council member, Friends of Kewalo Basin Park Association, the Hawaii State Bodysurfing Association, and the Integrated Agriculture Network, Save Our Kaka'ako Coalition, and thirty-one individuals. Testimony in opposition to this measure was submitted by two individuals. Comments were also submitted by the Hawaii Community Development Authority, Alexander & Baldwin Properties, Inc., and one individual.

The State must demonstrate its commitment to withhold its valuable lands from development for short-term gains in exchange for the long-term good of its residents and the future of generations to come. Accordingly, your Committee finds that the Hawaii Community Development Authority is urged to reevaluate the current proposed project in the Kakaako Makai area.

Your Committee has amended this measure by:

- (1) Requesting the Hawaii Community Development Authority to immediately convene a working group to engage interested stakeholders, particularly the groups and individuals that have surfaced in this controversy, to meaningfully participate in the development, acceptance, and implementation of any future plans for the development of Kakaako Makai; and
- (2) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 30, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3688 Water, Land, and Agriculture on H.C.R. No. 98

The purpose of this measure is to reduce the feral pig population in the Tantalus area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Testimony in opposition to this measure was submitted by one individual.

Your Committee has amended this measure by replacing its contents with S.C.R. No. 56, S.D.1, which expands the scope of the plan to cover the entire State rather than just the Tantalus and Manoa areas.

Your Committee finds that feral pigs are an invasive species that cause considerable damage to the environment. They have migrated in increasing numbers from state land to neighborhoods and other residential areas causing property damage and disturbances. This measure requests the Department of Land and Natural Resources to prepare a plan to reduce the feral pig population statewide.

Your Committee notes testimony from the Department of Land and Natural Resources acknowledging that steps need to be taken to control the feral pig populations statewide; however, the department recommends that the pig population management should primarily be focused near urban areas.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 98, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 98, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3689 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.C.R. No. 155

The purpose of this measure is to request the County of Maui to assist the Department of Land and Natural Resources to determine the feasibility of redeveloping the Old Nahiku School site and making it available as a community facility.

Testimony in support of this measure was submitted by a County of Maui council member and seventy-nine individuals. Comments were also submitted by the Department of Land and Natural Resources.

Recently, the old Nahiku School was destroyed in a fire. The historic school in Hana was considered a treasure by the Nahiku community and was a fixture in the community for over fifty years. Currently, the site remains undeveloped, and there has been some interest in developing the area to provide a place for the community to come together and share native Hawaiian cultural practices and traditions and to have a central location for learning, information sharing, and other community-oriented events. Accordingly, your Committees find that the Department of Land and Natural Resources should determine the feasibility of developing the old Nahiku School site into a community facility.

Your Committees noted that the old Nahiku school property is located on ceded lands. Based on this information, your Committees recommend that the Office of Hawaiian Affairs be included in discussions for the site's future development.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 155, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, English, Inouye, Hemmings).

SCRep. 3690 Water, Land, and Agriculture on H.C.R. No. 164

The purpose of this measure is to request the Department of Land and Natural Resources to prohibit all commercial vendors at the Nu'uuanu Pali Lookout on the island of Oahu.

Testimony in support of this measure was submitted by the Nu'uuanu/Punchbowl Neighborhood Board and six individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

The 985-foot cliff side of the Ko'olau mountain range offers one of the best panoramic views of the windward coast and is the site of a very historical battle in Hawaiian history. Recently, there have been commercial vendors selling food, trinkets, and other items at the Nu'uuanu Pali Lookout. For many using the lookout, a place of such historical significance, to sell items is disrespectful and degrades the dignity that this area deserves. Your Committee finds that it is appropriate for the Department of Land and Natural Resources to regulate and enforce commercial vendors at the lookout to ensure that the area is used in a respectful manner.

Your Committee has amended this measure by:

- (1) Requesting the Department of Land and Natural Resource to consult with the President of the Association of Hawaiian Civic Clubs and the President of the Daughters of Hawaii before selecting commercial vendors at the lookout;
- (2) Requesting that the Department of Land and Natural Resources to require that any commercial vendor selected shall provide sanitation facilities as a condition to any agreement at the lookout; and
- (3) Requiring that a certified copy of the concurrent resolution be transmitted to the President of the Association of Hawaiian Civic Clubs and the President of the Daughters of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 164, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3691 Water, Land, and Agriculture on H.C.R. No. 249

The purpose of this measure is to request the Department of Land and Natural Resources to reevaluate the boundaries of the Hilo Bay Recreational Thrill Craft Zone.

Testimony in support of this measure was submitted by one individual. Comments were also submitted by the Department of Land and Natural Resources.

Currently, the Recreational Thrill Craft Zone in Hilo Bay is approximately one mile away from the shoreline. To get to this zone, thrill craft users have to travel a significant distance to enter the designated area. Your Committee finds that this distance poses a potential hazard to users who may encounter equipment failure on their way out to or from the zone or for those who may need medical assistance if they are injured in the zone. Thus, this measure requests the Department of Land and Natural Resources to reevaluate the boundaries of the zone.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3692 Health on H.C.R. No. 84

The purpose of this measure is to request the Department of Health to review the available scientific research on decabromodiphenyl ether and assess the availability of safer, effective, and technically feasible flame retardants that can be used in its place.

Your Committee received testimony in support of this measure from the Department of Health, and the Bromine Science and Environmental Forum.

Your Committee finds that the chemical flame retardant decabromodiphenyl ether (Deca-BDE) poses a health risk to consumers and that several states have enacted legislation restricting its use. Research needs to be conducted into safer alternative flame retardants.

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. 84, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 3693 (Joint) Health and Intergovernmental Affairs on H.C.R. No. 76

The purpose of this measure is to request the Department of Health to report on the status of its litigation against Waste Management of Hawaii, Inc. and the City and County of Honolulu, on how the Department of Health conducts health surveillance related to environmental factors, and how the divisions of the department of health work together to share information and determine any actions to be taken.

Your Committees received testimony in support of this measure from the Department of Health.

Your Committees find that it is a priority of the State to ensure that waste management is handled in a safe and appropriate manner. Improper waste disposal is detrimental to the health and well-being of the community and to the environment. Information on the status of the Department of Health's pending litigation against Waste Management of Hawaii, Inc. and the department's health surveillance procedures will assist the Legislature in determining any future action that needs to be taken.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 76, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Inouye, Kim, Tsutsui, Whalen).

SCRep. 3694 Health on H.C.R. No. 88

The purpose of this measure is to request the Director of Health to develop a trauma system plan for Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Government Employees Association, the Healthcare Association of Hawaii, Hawaii Pacific Health, American Medical Response, and one individual.

Your Committee finds that the trauma system in Hawaii is facing critical issues, such as the availability of on-call emergency physicians, that must be addressed to ensure the integrity of trauma care in this State. Developing a comprehensive, state-wide trauma system plan will facilitate the direction of the necessary implementation.

Your Committee amended this measure by including transportation services as an important component of the trauma system plan.

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. 88, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 3695 Health on H.C.R. No. 197

The purpose of this measure is to request Leahi Hospital to develop a master plan and financial feasibility report for its existing campus that will take advantage of its unique location and relationships in east Honolulu.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation-Oahu Region.

Your Committee finds that the existing campus of Leahi Hospital needs to be revitalized in order to achieve its vision as a Geriatric Center of Excellence. To achieve this goal the master plan and financial feasibility report, addressing all future on-campus construction, activities, and services, need to be completed.

Your Committee further finds that a study of this magnitude can be costly. Hawaii Health Systems Corporation submitted testimony requesting an appropriation in the amount of \$150,000 to complete the plan and feasibility report requested by this measure. However, your Committee noted that funding cannot be appropriated by this measure.

Accordingly, your Committee has amended this measure by requesting that the Hawaii Health Systems Corporation pursue any needed resources in the Regular Session of 2007.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 197, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 3696 (Joint) Health and Human Services on H.C.R. No. 290

The purpose of this measure is to request the Executive Office on Aging to convene a focus group with other stakeholders to assess yearly service delivery needs and long-term strategic planning for Kupuna Care.

Your Committees received testimony in support of this measure from the Executive Office on Aging.

Your Committees find that Kupuna Care has proven to be a successful program that assists elderly individuals in remaining independent and avoiding institutionalization and homelessness. In order for this program to address the growing elderly population and remain successful in the coming years, a focus group is needed to assess the yearly service delivery needs and to develop a strategic long-term plan for Kupuna Care.

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. 290, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Ihara, Tsutsui, Trimble, Whalen).

SCRep. 3697 Health on H.C.R. No. 226

The purpose of this measure is to request the Department of Health to convene a working group to determine family planning funding needs for legislative consideration in the State's fiscal biennial 2007-2009 budget.

Your Committee received testimony in support of this measure from the Department of Health, Healthy Mothers Healthy Babies, the Hawaii Youth Services Network, and one individual.

Your Committee finds that Hawaii ranks last among the fifty states in public family planning funding. Hawaii has high rates of unintended pregnancy, especially among teenagers and women in low income communities. Unplanned pregnancies invite higher rates of abortion. A working group that addresses the State's fiscal needs for family planning services is needed to ensure lower rates of unplanned pregnancies.

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. 226, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 3698 Health on Gov. Msg. No. 341

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD

G.M. No. 341 RICHARD CHARLES JACKSON, for a term to expire 6-30-2010

Your Committee received testimony in support of RICHARD CHARLES JACKSON from the Department of Health, NAMI-Oahu, New Life Community Church, Church of the Crossroads, and three individuals. Mr. Jackson currently serves on the Board and is being nominated for reappointment. He has previously served two consecutive four-year terms, had a break in appointment, and is being reappointed after another four-year term. Mr. Jackson is committed to mental health advocacy in the community and has proven to be a valuable asset to the Mental Health and Substance Abuse, Oahu Service Area Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3699 Education and Military Affairs on H.C.R. No. 47

The purpose of this measure is to request that the President and the United States Congress support public schools by increasing funding to implement the No Child Left Behind Act, the Higher Education Act, the Individuals with Disabilities Education Act, and other education-related programs.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that increased funding is greatly needed by the public schools to support various federal education requirements.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3700 Education and Military Affairs on H.C.R. No. 49

The purpose of this measure is to request that the United States Secretary of the Navy grant lease rents at token or substantially-below fair-market rates for the USS Bowfin Submarine Museum and Park and the USS Missouri Memorial.

Your Committee received testimony in support of this measure from the State Department of Defense, the Armed Services Committee of The Chamber of Commerce of Hawaii, the Pacific Fleet Submarine Memorial Association, Inc. d/b/a USS Bowfin Submarine Museum and Park, and the USS Missouri Memorial Association, Inc.

Your Committee finds that both the USS Bowfin Submarine Museum and Park and the Battleship Missouri Memorial represent an important part of American history and offer their visitors, American and international alike, studies of significant historical events in Hawaii and the Pacific. As such, they serve the public interest and should qualify for exemption from fair market lease rates.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3701 Education and Military Affairs on H.C.R. No. 120

The purpose of this measure is to request that the President and the United States Congress fully restore the funding that has been cut from the Army and Air National Guard equipment and personnel budgets.

Your Committee received testimony in support of this measure from the State Department of Defense, the Armed Services Committee of The Chamber of Commerce of Hawaii, the Hawaii National Guard Association, and the Hawaii National Guard Enlisted Association.

Your Committee finds that the Army National Guard budget alone has been reduced by \$11 billion, which will have an impact on its operations at home and overseas. Your Committee is concerned that this troop reduction will cause states to come up short in disaster preparedness at home.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 3702 Energy, Environment, and International Affairs on H.C.R. No. 312

The purpose of this measure is to urge the United States Congress to ratify the United Nations' Convention on the Rights of the Child.

The Hawaii Institute for Human Rights and one individual submitted testimony in support of this measure.

The United States was instrumental in composing the 1948 Universal Declaration of Human Rights; yet, the United States has failed to ratify several principal international agreements that are designed to enhance civil and human rights worldwide. Hawaii should not sit idly by while the nation fails to ratify what this State believes to be the right course of action. Your Committee finds that Hawaii can make an initiative to adopt human rights instruments as local law.

Upon further consideration, your Committee amended this measure by:

- (1) Requesting the Hawaii Institute for Human Rights to convene a working group to examine and make recommendations regarding United Nations' human rights instruments for adoption by the State of Hawaii;
- (2) Requesting the working group to seek input from the public and include in its membership the Hawaii Human Rights Center and representatives from the Senate Committee on Energy, Environment and International Affairs and the House International Affairs Committee;
- (3) Requesting the working group to submit a report, including recommendations for legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2007. The report should detail the United Nations' human rights instruments that the working group proposes for adoption; and
- (4) Adding substantive background provisions that are consistent with the revised purpose of the measure.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 312, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 312, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 3703 (Joint/Majority) Intergovernmental Affairs and Transportation and Government Operations on H.C.R. No. 86

The purpose of this measure is to request the City and County of Honolulu to include an additional spur line to Mililani in its transportation plan for a light-rail transit system.

Castle & Cooke Hawaii submitted testimony in support of this measure.

As the testifier noted, Mililani is a major regional area that feeds into the heavily congested H-1 corridor. New construction and development in Mililani will increase volume on the highway and further exacerbate traffic. Your Committees find that an additional spur line would provide an alternative means of transportation for that region and would help alleviate the burden on the highway system.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 86, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 5 (English, Hee, Kanno, Kim, Menor).

SCRep. 3704 Human Services on H.C.R. No. 72

The purpose of this measure is to request the Department of Human Services to cooperate with the Case Management Council and the Adult Foster Home Association to define the three components of the Residential Alternatives Community Care Foster Family Homes Service Array Program service array and make recommendations for inclusion in the Department's Request for Proposal regarding QUEST Expanded Access.

Your Committee received testimony in support of this measure from the Department of Human Services, the Case Management Council, the Adult Foster Home Association of Hawaii, and one hundred fifty-three individuals.

Your Committee finds that this measure will facilitate discussion among the Department of Human Services, the Adult Foster Home Association, and the Case Management Council about the definition of the three distinct components of the Residential Alternatives Community Care Foster Family Homes Service Array program, and their mode of service delivery, for inclusion in the Department's Request for Proposal related to QUEST Expanded Access.

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. 72, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3705 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.C.R. No. 53

The purpose of this measure is to request the Department of Transportation and the county fire chiefs to collaborate and cooperate to reach a mutually agreeable solution over fire inspection responsibilities at the Honolulu International Airport and other state airports.

Your Committees received testimony in support of this measure from the Department of Transportation, the Honolulu Fire Department, and the State Fire Council.

The Department of Transportation has Aircraft Rescue and Firefighting crews stationed at airports to carry out its responsibilities pursuant to Title 14, C.F.R. part 139. The Aircraft Rescue and Firefighting crews are not trained, and do not have the necessary staff, to conduct fire inspections of the airport areas.

The Honolulu International Airport is a vast area that encompasses much more than the actual airport facilities and includes surrounding buildings and warehouses, which take one year to inspect on an intermittent basis according to the Honolulu Fire Department. Public safety requires that all state airports be inspected by knowledgeable fire inspectors, whether state or county firefighters.

Your Committees find that the Department of Transportation and the county fire departments should work out an agreement to conduct fire inspections of airport facilities, particularly the Honolulu International Airport.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 53, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Hee, Kanno, Kim, Menor).

SCRep. 3706 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.C.R. No. 204

The purpose of this measure is to request the State and the counties to prioritize expenditure of federal homeland security funds on interoperable communications systems.

Your Committees received testimony in support of this measure from the Department of Transportation, State Department of Defense, and Motorola.

Public safety and emergency response agencies in the State of Hawaii operate radio communication systems on different frequencies of the spectrum allocated for public safety. The use of different frequencies restricts the ability of public safety and emergency response agencies to communicate with one another and can delay the delivery of critical resources during an emergency. An interoperable communication system will allow communications within and among the different public safety and emergency response agencies at the state and local level.

Your Committees find that an interoperable communication system will enable public safety and emergency response personnel to communicate quickly and effectively during an emergency. Federal homeland security funding received by the State of Hawaii and the four counties should be used first and foremost for the development and implementation of a standards-based statewide and countywide system for interoperable communications between first responders of all government jurisdictions.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 204, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Hee, Kanno, Kim, Menor).

SCRep. 3707 Business and Economic Development on H.C.R. No. 196

The purpose of this measure is to support the concept of a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Community College, and Global Aeronautics, LLC.

Hawaii's local air carriers provide more than twelve thousand direct and indirect jobs for Hawaii residents. Local air carriers must conduct a substantial portion of their flight training on the mainland because Hawaii does not have an advanced simulator training

facility to serve the local airlines. A recent increase in training demands from other airlines and from ab initio airline cadets makes establishing an advanced simulator training center in Hawaii an economically feasible option.

Your Committee finds that legislative support is needed for a public-private joint venture to develop a new advanced simulator airline training facility in Hawaii. Simulator training has economic advantages for the State, and will prepare young pilots for employment with the airlines, thus creating more employment opportunities and the ability to bring more visitors to the State. Your Committee further finds that continued legislative support is needed if financial investments and other resources are obtained from private partners.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Menor).

SCRep. 3708 Business and Economic Development on H.C.R. No. 205

The purpose of this measure is to request that the Auditor review the proposed plans and the existing and anticipated appropriation requests from the Stadium Authority and the Governor for the repair, renovation, refurbishment, or replacement of Aloha Stadium.

Your Committee received comments from the Department of Accounting and General Services, the Stadium Authority, and the promoter of the Hawaiian Telcom Great Aloha Run.

Aloha Stadium was built in 1975 and was designed to accommodate an array of sports and entertainment events by moving the stands into different configurations. In mid-February 2006, the news media reported that Aloha Stadium is in need of repairs and renovation work amounting to \$129,000,000. The Stadium renovation proposal includes adding ten thousand more seats and thirty-two luxury suites, permanently locking the Stadium in a football configuration, and repairing the rusting Stadium steel structure for safety. In addition to the Stadium Special Fund, the Governor has requested an additional \$25,000,000 in general obligation funds to be added to the 2007 Executive Supplemental Budget for the first year of the four-year repair and replacement Stadium program.

Your Committee finds that the proposal to use general obligation funds to finance the repairs and renovation of the Stadium places an obligation on the Legislature to conduct a thorough review of any and all Stadium repair, renovation, refurbishment, or replacement proposals. It is appropriate for the Auditor to assist the Legislature in reviewing proposals to permanently lock the Stadium into a football configuration as well as expand the Stadium facility, and perform a financial and budgetary review of all proposals to finance the repairs, improvements, renovation, expansion, and replacement of the Stadium facility.

Your Committee recognizes the concerns that the Department of Accounting and General Services and the Stadium Authority have regarding the delay an Auditor's review may have on the proposed plans for the Stadium repairs and renovation project. The Stadium presently has many safety issues that need repair or replacement and your Committee understands that these are paramount issues that need be undertaken immediately. If the additional funding is granted, your Committee believes that an Auditor's review is still appropriate, but the Stadium safety repair and replacement project should still proceed as planned.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Menor).

SCRep. 3709 Health on H.C.R. No. 219

The purpose of this measure is to request the Department of Health to support the formation of a health information exchange system for the State of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Science & Technology Council and the Hawaii Health Information Exchange.

Your Committee finds that electronic exchange of medical information will be the new standard for medical care in the coming decade. An electronic health records system that is rapid and secure will enable coordinated health care delivery which will result in better patient outcomes and will be cost-efficient to the health care system as a whole.

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. 219, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3710 Human Services on H.C.R. No. 147

The purpose of this measure is to request the Attorney General to provide a definitive legal opinion regarding the definition of "employment" as used in sections 386-1, 392-3, and 393-5, Hawaii Revised Statutes.

Your Committee received testimony in support of the measure from Home & Community Services of Hawaii, Inc., Primary Care Providers, and four hundred sixty-six individuals. The Attorney General and the Department of Labor and Industrial Relations submitted comments on this measure.

This measure requests the Attorney General to provide a definitive legal opinion to the Legislature regarding the “domestic” exemption to state employment laws with respect to persons, including corporations and private agencies, who contract with the Department of Human Services to provide attendant and day care services. Your Committee notes that the Attorney General’s written testimony raises concerns regarding this measure’s provisions. Your Committee finds that a formal legal opinion will promote ongoing discussion regarding the need to amend chapters 383, 386, 392, and 393, Hawaii Revised Statutes, in the future.

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. 147, H.D. 1, and recommends that it be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3711 Business and Economic Development on Gov. Msg. No. 319

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 319 LORRAINE M. MENDOZA, for a term to expire 6-30-2010

LORRAINE M. MENDOZA has served for four years as the East Hawaii Representative on the Community-Based Economic Development Advisory Council. She received her Associates in Arts degree from Hawaii Community College and is currently the Conference Support Assistant at the University of Hawaii at Hilo Conference Center after serving ten years as an Administrative Assistant for the Hawaii Island Chamber of Commerce. Ms. Mendoza is an active participant in the community of Hilo and serves as a Director on the Hilo Hamakua Community Development Corporation and as President of the Pepekeo Community Association.

Your Committee received testimony in support of Ms. Mendoza’s nomination for a second term from the Department of Business, Economic Development, and Tourism; the Department of Research and Development, County of Hawaii; the Planning Department, County of Hawaii; the Hilo-Hamakua Community Development Corporation; KTA Super Stores; and eleven private individuals.

Your Committee finds that Ms. Mendoza plays an important role in assisting and guiding the Community-Based Economic Development (CBED) Program in fulfilling its goals and objectives, and her nomination for a second term will allow her to continue her work and community contributions. Her knowledge and experience with communities and community development on the Island of Hawaii is a valuable resource for the CBED Program and the Big Island communities.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 3712 Business and Economic Development on Gov. Msg. No. 355

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 355 LYNNE E. WOODS, for a term to expire 6-30-2010

LYNNE E. WOODS currently serves as Chairperson of the Small Business Regulatory Review Board and represents the County of Maui. She recently stepped down as President of the Maui Chamber of Commerce and now co-owns, with her husband, Keller Williams Realty Maui, a business with a focus on the real estate industry and business consulting. Ms. Woods is an active participant in the community and holds several past memberships with the Hawaii State Chamber of Commerce, the Western Association of Chamber Executives, the Maui Economic Development Board, the Maui Visitors Bureau, the Maui County Workforce Investment Board, and Big Brothers Big Sisters of Maui.

Your Committee received testimony in support of Ms. Wood’s nomination for a second term from the Department of Business, Economic Development, and Tourism, the Small Business Regulatory Review Board, the Hawaii Business League, and one individual.

Your Committee finds that Ms. Woods has a vast professional business background, has demonstrated her commitment to the community, particularly through her contributions on Maui, and has proven her leadership abilities while serving as the Chairperson for the Small Business Regulatory Review Board. Her nomination for a second term will allow her to continue to play a key role in fulfilling the goals and objectives of the Review Board.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 3713 Business and Economic Development on Gov. Msg. No. 379

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 379 ANNA K. RIBUCAN, for a term to expire 6-30-2007

ANNA K. RIBUCAN is a Small Business Advocate with the Office of Economic Development for the County of Maui and operates Maui Retail Services, which is a professional shopping service. Ms. Ribucan formerly worked as a Coordinator for the Center for Entrepreneurship and was a Program Assistant for contract classes, both with the Office of Continuing Education and Training at Maui Community College. She is also the former owner and stockholder of Opened Action Medical Personnel, which provides nurses, nurse aides and companions for home care clients, and has an extensive background and experience in the retail industry on Maui.

Your Committee received testimony in support of Ms. Ribucan's nomination to the Community-Based Economic Development (CBED) Advisory Council from the Department of Business, Economic Development and Tourism; the Office of Economic Development, County of Maui; the Hawaii Small Business Development Center Network; and one individual.

Your Committee finds that Ms. Ribucan's knowledge and experience with communities, community development, and small businesses on Maui will be a valuable resource for the CBED Program and the community of Maui. Her former role as a Coordinator for the Center for Entrepreneurship at Maui Community College proves her leadership abilities in helping launch business incubation programs, implementing new training programs, and creating curriculum for case management. Your Committee further finds that Ms. Ribucan's extensive background and experience will play an important role in assisting and guiding the CBED Program in fulfilling its goals and objectives.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Menor).

SCRep. 3714 Commerce, Consumer Protection and Housing on Gov. Msg. No. 395

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 395 FRANCES PAULETTE HACKBARTH, for a term to expire 6-30-2010

FRANCES PAULETTE HACKBARTH is a retiree who worked for thirty-four years as a computer specialist for the United States Navy at Camp Smith, during which time she was also an instructor in sexual harassment prevention for supervisors. Her current volunteer activities include coordinating church ministry visits to hospitalized and homebound persons, as well as supporting and hosting homeless families. She looks forward to participation on the Board of Psychology as a means to serve the ever-growing need for therapy and counseling.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 3715 Human Services on H.C.R. No. 130

The purpose of this measure is to request the Department of Public Safety to conduct a security audit of the Hawaii Youth Correctional Facility.

Specifically, this measure requests the Department of Public Safety to assess the security practices of the facility for the purpose of preventing escapes.

Your Committee received testimony in support of the measure from the Office of Youth Services. One individual submitted testimony in opposition to this measure. The Department of Public Safety submitted comments.

Your Committee finds that this measure will provide information about improving the security operations at the Hawaii Youth Correctional Facility in order to ensure the safety of the public as well as the safety of the youth at the facility.

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. 130, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3716 Human Services on H.C.R. No. 166

The purpose of this measure is to urge the Department of Human Services to temporarily delay its reorganization plan for the island of Hawaii.

Specifically, it requests the Department to convene additional public hearings regarding its decision to close the Child Welfare Services offices in Ka'u, Kamuela, and Captain Cook.

Your Committee received testimony in support of the measure from the Hawaii Government Employees Association and more than one hundred individuals. The Department of Human Services submitted comments.

Your Committee finds that this measure will offer the Department of Human Services, the affected community, Child Welfare Services staff, as well as interested agencies and organizations, another opportunity to discuss the realignment implications and its potential impact on the continuum of child abuse and neglect prevention, family support, family strengthening, and voluntary case management services for families and 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 H.C.R. No. 166, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3717 Human Services on H.C.R. No. 269

The purpose of this measure is to request the Governor to designate 2008 as the Year of the Family and to establish a Family Celebration Commission to administer the celebration.

Your Committee received testimony in support of the measure from the Hawaii Family Forum and the Hawaii Catholic Conference.

Your Committee finds that this measure demonstrates Hawaii's commitment to supporting and celebrating all of our Ohana through a year-long celebration of the family.

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. 269, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 3718 (Majority) Intergovernmental Affairs on H.C.R. No. 145

The purpose of this measure is to support a resolution to the immigration problem facing this country and to support the provision of emergency medical services to undocumented immigrants.

A representative of the Hawaii State House of Representatives, Na Loio Immigrant Rights and Public Interest Legal Center, Hawaii Human Rights Center, and one individual submitted testimony in support of this measure.

It is estimated that approximately eleven million undocumented immigrants currently reside in the United States. Though undocumented, many of these immigrants are law-abiding, hard working taxpayers who contribute to the cultural, social, and economic vibrancy of our nation.

Hawaii has been a forerunner in the area of immigrant rights and consistently promotes tolerance and respect for all people. The State should denounce far-reaching and harsh federal immigration reform that will do nothing to enhance national security. Therefore, your Committee finds that the State should urge the United States President and Congress to create a pathway for undocumented immigrants to legalize their status.

Upon further consideration, your Committee amended this measure by:

- (1) Specifying that the State supports:
 - (A) A pathway for undocumented immigrants to legalize their status; and

- (B) Reimbursing health care providers so that they can continue to provide emergency medical treatment to this population;
- (2) Focusing the measure by deleting certain provisions related to prior attacks against immigrants and minorities;
- (3) Adding and rewording substantive provisions to support the revised purpose of this measure; and
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 145, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (English, Kim).

SCRep. 3719 Intergovernmental Affairs on H.C.R. No. 250

The purpose of this measure is to help implement possible solutions to juvenile delinquency by requesting the Hawaii County Office of the Prosecuting Attorney to study the feasibility of establishing “receiving homes” in east and west Hawaii.

The Hawaii County Office of the Prosecuting Attorney and three individuals submitted testimony in support of this measure.

A “receiving home” is a facility where juveniles may be placed at any time, night or day, to receive a comprehensive multi-disciplinary screening and risk and needs assessment to ensure an integrated model of care and a seamless array of services. Such a facility would avert having to detain juveniles in police custody while a determination is made regarding which agency is responsible for placement and services.

Your Committee finds it appropriate for the Legislature to request the Hawaii County Office of the Prosecuting Attorney to study the feasibility of establishing “receiving homes” in east and west Hawaii. For this reason, your Committee finds that it would be beneficial to also transmit a certified copy of this measure to the Hawaii County Prosecuting Attorney.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Kim).

SCRep. 3720 Labor on H.C.R. No. 16

The purpose of this measure is to express support for the policies contained in the American Nurses Association’s Handle With Care campaign.

Your Committee finds that the American Nurses Association has launched a national campaign entitled “Handle With Care,” which seeks to develop industry-wide health care efforts to prevent back and other musculoskeletal injuries. Your Committee further finds that the establishment of this campaign is in direct response to the significant number of severe work-related back and other musculoskeletal injuries suffered by nurses. As a result of the current labor shortages in the nursing workforce within this State and throughout the nation, efforts to protect and support safe and healthy work environments for nurses is of great importance. This measure demonstrates the Legislature’s unqualified support of the Handle With Care campaign and its commitment to efforts to reduce the risk of work-related back and musculoskeletal injuries of nurses throughout the nation.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3721 Labor on H.C.R. No. 62

The purpose of this measure is to express support for congressional efforts to ensure that federal employees in Hawaii are afforded the same or equitable pay and retirement benefits as federal employees residing in the forty-eight contiguous United States.

Testimony in support of this measure was submitted by the Federal Law Enforcement Officers Association – Hawaii Chapter #54, the International Federation of Professional and Technical Engineers, COLA Defense Committee of Oahu, Inc. and eight individuals.

Your Committee finds that federal employees in Hawaii, as well as Alaska, are treated differently than their counterparts who reside in the contiguous United States. Federal employees in Hawaii and Alaska benefit from cost of living adjustments with respect to their pay; however, they are not similarly afforded non-foreign area cost of living adjustments to their basic pay for purposes of retirement. Additionally, Hawaii and Alaska federal employees do not receive locality pay in addition to their salaries, whereas federal employees of the forty-eight contiguous United States receive anywhere from twelve to twenty-eight percent locality pay adjustments. Your Committee further finds that locality pay is factored into a federal employee’s “basic pay” for purposes of calculating retirement benefits, thereby placing Hawaii and Alaska federal employees at a further monetary disadvantage in retirement.

Your Committee supports the merit principle, the principle of equal pay for equal work, and believes that the current treatment of federal employees in Hawaii is unjustly discriminatory and unwarranted. Your Committee believes that the disparity in the treatment of Hawaii and Alaska federal employees and federal employees within the forty-eight contiguous United States is solely attributable to the former states' locations. Understanding that the cost of living in Hawaii exceeds that of most other states, your Committee believes it is necessary to equitably compensate federal employees in Hawaii. This measure will demonstrate the Legislature's support of the fair and equitable treatment of federal employees in Hawaii with regard to pay and retirement benefits.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3722 Business and Economic Development on H.C.R. No. 277

The purpose of this measure is to encourage the Legislature to collaborate with the National Aeronautics and Space Administration (NASA), the Japan Aerospace Exploration Agency (JAXA), and other aerospace-related agencies to expand and diversify the aerospace industry through the development of the Pacific International Space Center for Exploration Systems.

Your Committee heard testimony in support of this measure from a former Governor, the Department of Business, Economic Development, and Tourism, the Hawaii Space Grant Consortium at the University of Hawaii at Manoa, the University of Hawaii at Hilo, the University of Hawaii at Hilo Conference Center, the Japan-United States Science, Technology, and Space Applications Program (JUSTSAP), the Maritime Consultants of the Pacific, and PBS Hawaii.

In November 2003, delegates attending a JUSTSAP workshop proposed establishing a center for astronaut training, aerospace education, and space technology testing and evaluation in Hawaii that would capitalize on the State's unique human, technological, and environmental resources to support robotic and human missions to the Moon, Mars, and beyond. The Pacific International Space Center for Exploration Systems (PISCES) was envisioned to maintain a base research and training facility on the island of Hawaii, and facilitate workshops, conferences, and other meetings focused on the design, development, and implementation of multinational space exploration projects involving the United States, Japan, and other countries from the Asia-Pacific Region.

The primary goals of PISCES will be to provide a testbed to support future robotic and human missions to the Moon, Mars, and other planetary bodies in the solar system, and facilitate the training of scientists, engineers, and other professionals engaged in research and development activities associated with future space exploration. Other goals include conducting in-field training programs for astronauts, coordinating international meetings of space professionals in Hawaii to design and implement an innovative space research program, and catalyzing aerospace education programs in high schools and colleges located statewide.

Your Committee finds that legislative support is needed to expand and diversify the aerospace industry through the development of PISCES in Hawaii. PISCES holds many potential benefits for the State including diversifying and expanding employment opportunities in scientific and technical fields, and supporting the University of Hawaii as a center of excellence for exploration-supportive education in mathematics, science, and engineering. Further benefits also include expanding tourism opportunities, and establishing Hawaii as a vital resource for NASA and JAXA space exploration planning and implementation.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 277, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Menor).

SCRep. 3723 Ways and Means on H.C.R. No. 75

The purpose of this measure is to request the Department of Education to consider building a new facility for the McKinley High School physical education and athletic program at the former Kapiolani Community College campus.

The measure also requests the Department to consider utilizing the design-build process in constructing the facility and to report its findings to the Legislature.

Your Committee finds that the former site of Kapiolani Community College near McKinley High School has been vacant or underutilized for many years. Since the site is under the control of the Department of Education, it behooves the Department to consider utilizing the site to address issues relating to maintenance and insufficient space at McKinley High School's athletic facilities.

Your Committee also finds that the Department might consider using the design-build process of structural development, wherein one party designs and builds a structure while making cost-saving modifications to allow for a more expedient and efficient method of construction. The design-build process may result in McKinley High School acquiring its athletic facilities much quicker and at less cost than traditional methods of construction.

As 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. 75, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Hemmings, Trimble).

SCRep. 3724 Health on H.C.R. No. 80

The purpose of this measure is to request the President of the United States and Congress to adopt changes to the Medicare Part D program.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association and the Mental Health Association.

Your Committee finds that the Medicare Part D program that has been in place for several months continues to have major complications. Low-income elderly and disabled individuals have endured unnecessary hardships due to the program's complex guidelines, processing problems, and penalties.

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. 80, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3725 Health on H.C.R. No. 105

The purpose of this measure is to urge the Hawaii Health Systems Corporation to enter into a lease/purchase agreement for a parking structure for Maui Memorial Medical Center in to be funded by the issuance of certificates of participation.

Your Committee received testimony in support of this measure from Maui Memorial Medical Center.

Your Committee finds that Maui Memorial Medical Center is need of additional parking and will have a greater need after the 75,000 square foot medical center expansion is completed. Financing this parking structure with certificates of participation will require the State of Hawaii and the Hawaii Health Systems Corporation to enter into a long-term lease agreement.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the contents of Senate Concurrent Resolution No. 188, which urges the State to join with the Corporation to enter into the lease/purchase agreement.

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. 105, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3726 Health on H.C.R. No. 69

The purpose of this measure is to request the Department of Health to establish and operate a statewide suicide early intervention and prevention program.

Your Committee received testimony in support of this measure from the Hawaii Suicide Prevention Steering Committee. The Department of Health submitted comments in response to this measure.

Your Committee finds that suicide is the leading cause of injury death in Hawaii. This is a critical public health concern that is preventable with the right educational tools.

The Department of Health has already undertaken efforts to address suicide in Hawaii. A full-time suicide prevention coordinator position has been established. A statewide taskforce has been organized with representatives from key programs and organizations and one survivor. The Department has also organized a Suicide Prevention Steering Committee, ten of whose members were trained at the National Suicide Prevention Resource Center's regional conference, to direct the state task force. Your Committee finds these efforts will be enhanced by the adoption of 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 H.C.R. No. 69, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3727 Health on H.C.R. No. 36

The purpose of this measure is to request the Director of Health to conduct a prevention and education campaign on the increasing incidence of bedbugs.

Your Committee finds that an increase in the incidence of bedbugs could be detrimental to Hawaii's tourism industry. Although bedbugs are not known to carry disease, they often can cause allergic reactions, including itching, and their presence is offensive.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of Senate Concurrent Resolution No. 69, S.D. 1, a similar measure that requests the Department of Health to work in cooperation with the State Tourism Liaison and the Hawaii Hotel & Lodging Association in raising awareness, education, and prevention of the increasing incidence of bedbugs.

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. 36, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 36, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3728 Health on H.C.R. No. 113

The purpose of this measure is to request the Governor to convene a task force to evaluate and recommend possible procedural, statutory, and public policy changes to minimize the census at Hawaii State hospital and promote community-based health services for forensic patients.

Your Committee finds that a task force needs to be established by the Department of Health to evaluate procedural, statutory, and policy changes that may be necessary to effectuate a decreased population at the Hawaii State Hospital and to improve the level of supervision, monitoring, or treatment necessary to ensure the safety of individuals with mental illness and the public.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of Senate Concurrent Resolution No. 117 SD1, a similar measure, the primary difference of which is to request the Department of Health to convene a task force, as opposed to requesting the Governor to convene a task force.

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. 113, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 113, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3729 Commerce, Consumer Protection and Housing on H.C.R. No. 156

The purpose of this measure is to oppose federal legislation that threatens the power of state legislatures, governors, insurance commissioners, and attorneys general to oversee, regulate, and investigate the business of insurance and to protect consumers.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, and the First Insurance Company of Hawaii, Ltd. No testimony in opposition was received by your Committee.

Your Committee finds that current federal initiatives would destroy the state systems of insurance regulation and create unwieldy and inaccessible federal bureaucracies. Your Committee further finds that these proposals create mandatory federal insurance standards that would preempt state laws, to the detriment of Hawaii consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3730 Commerce, Consumer Protection and Housing on H.C.R. No. 73

The purpose of this measure is to protect consumers and ensure the safety of patients receiving nurse aide services in facilities that do not receive Medicare or Medicaid funding.

Specifically, this measure requests that:

- (1) The Auditor conduct a sunrise review of the certification of these nurse aides who work in non-Medicare or non-Medicaid settings as proposed by S.B. No. 3277, S.D. 1;
- (2) The Department of Commerce and Consumer Affairs (DCCA) rescind its decision to end certification of these nurse aides who work in non-Medicare or non-Medicaid settings; and
- (3) The DCCA extend the current certifications of these nurse aides who work in non-Medicare or non-Medicaid settings until a law requiring their certification is enacted.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii Long Term Care Association, the Healthcare Association of Hawaii, and nine certified nurse aides. Comments were submitted by the Professional and Vocational Licensing Division of the DCCA.

Your Committee finds that nurse aides who work in facilities that receive Medicaid or Medicare funding must be certified pursuant to Chapter 457A, Hawaii Revised Statutes, and federal regulations. No comparable state requirement exists for nurse aides working in facilities that do not receive Medicare or Medicaid funding.

Until 2005, the DCCA has certified and recertified nurse aides who have worked in non-Medicare or non-Medicaid facilities. The DCCA, however, has indicated in 2005 that it will discontinue certification because no state requirement exists. By requesting the DCCA to rescind its decision to end certification of these nurse aides and to extend the current certifications, your Committee further finds this measure ensures the continuation of high standards of quality care for patients in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 73, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3731 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on H.C.R. No. 202

The purpose of this measure is to request a study of the use of trailer parks as a possible option for solving Hawaii's homeless and affordable housing crisis.

Testimony in support of the intent of the measure was submitted by the Office of Hawaiian Affairs. The Housing and Community Development Corporation of Hawaii and the Department of Hawaiian Home Lands offered comments.

Your Committees find that this measure calls for a comprehensive study on the issue of whether manufactured housing would be a productive and feasible means to help alleviate the crisis that Hawaii now faces. The answers determined in the study would enable the Legislature to embrace or reject the concept based upon the facts.

Your Committees have amended the measure to:

- (1) Substitute reference to "mobile home parks" for references to "trailer parks";
- (2) Add the Land Use Commission, the Office of Planning, the Office of Environmental Quality Control, and the Affordable Housing and Homeless Alliance to the agencies and stakeholders named for consultation during the requested study;
- (3) Provide unit cost estimates for the delivered price of a mobile home on a pad; and
- (4) Correct references to the Housing and Community Development Corporation of Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 202, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 202, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Nishihara, Sakamoto).

SCRep. 3732 Water, Land, and Agriculture on H.C.R. No. 192

The purpose of this measure is to request the Attorney General to appoint a special attorney general to independently and impartially investigate the Kaloko reservoir dam collapse.

Testimony in support of this measure was submitted by a Representative of the State House of Representatives; Sakai, Iwanaga, Sutton Law Group; and sixty-seven individuals. Comments were submitted by the Department of the Attorney General and one individual.

On March 14, 2006, the Kaloko reservoir dam breached on the island of Kauai resulting in the loss of seven lives, massive flooding, and extensive property damage. In the aftermath of this tragic event, there have been numerous media and citizen reports making claims and accusations about both the actions and inaction by the State, the county of Kauai, and the private landowners that may have caused, contributed to, or exacerbated the conditions leading to the Kaloko reservoir dam's failure.

Typically, the Attorney General, by law, is charged with the responsibilities of not only investigating and prosecuting criminal and civil actions on behalf of the citizens of the State, but also defending the State against such actions as well. Thus, there is a possibility that the Attorney General may find itself in the position of not only prosecuting or suing a state agency, but defending it as well.

At the federal level, Congress implemented a process of appointing an independent counsel, which could be used by Congress or the Attorney General to investigate individuals holding or formerly holding certain high positions within the federal government and in national Presidential election campaign organizations. As the United States President could not dismiss those investigating the executive branch, it was felt that the independence of the office would ensure impartiality of any reports presented to Congress.

Your Committee finds that after the Kaloko reservoir dam breached, this type of investigation appeared prudent and in the best interests of the State, the victims of the Kaloko reservoir dam breach, and the pursuit of justice. However, this type of action would

require amendments to the current laws, a process that would have needed to be initiated in January or February 2006, before the dam failed. Based on these constraints, your Committee worked within the current laws to authorize an independent investigation of the Kaloko reservoir dam breach. Accordingly, this measure appoints a special deputy attorney general to independently and impartially investigate the Kaloko reservoir dam collapse.

After conferring with the Attorney General, your Committee amended this measure by:

- (1) Clarifying that the special deputy attorney general conduct a civil but not a criminal investigation;
- (2) Providing that the Special Deputy Attorney General Selection Committee be composed of:
 - (a) The Speaker of the House of Representatives or the Speaker's designee;
 - (b) The House Minority Leader or the Minority Leader's designee;
 - (c) The President of the Senate or the President's designee; and
 - (d) The Senate Minority Leader or the Minority Leader's designee;
- (3) Providing that each of the committee members must not have any conflict of interest or appearance of a conflict of interest;
- (4) Provide that the special deputy attorney general shall be appointed notwithstanding the special deputy attorney general process established under section 28-8(b), Hawaii Revised Statutes;
- (5) Requesting the Attorney General to consult with the Special Deputy Attorney General Selection Committee when establishing the qualifications and duties of the appointee;
- (6) Providing that the Special Deputy Attorney General Selection Committee, in consultation with the Attorney General, is requested to submit a list of at least five well-qualified attorneys;
- (7) Providing that the Attorney General is requested to appoint the Special Deputy Attorney General;
- (8) Requesting the Special Deputy Attorney General to recommend legislation or government actions that could help prevent another tragedy and make such other recommendations, as he or she believe appropriate;
- (9) Providing that the Special Deputy Attorney General have all the powers usually and customarily provided to a deputy attorney general under chapter 28, Hawaii Revised Statutes;
- (10) Revising the deadline for the Attorney General to report the Special Deputy Attorney General's findings to not later than twenty days prior to the convening of the Regular Session of 2007 or as soon thereafter as the special deputy attorney general determines to be appropriate;
- (11) Requesting that a certified copy of the resolution be transmitted to the Speaker of the House of Representatives and the President of the Senate; and
- (12) Deleting the provision requesting that a certified copy of the resolution be transmitted to James Pflueger and the Mary N. Lucas Trust.

Your Committee has further amended this measure by:

- (1) Clarifying that the Attorney General is charged, by law, with the responsibility of not only investigating and prosecuting criminal and civil actions on behalf of the citizens but defending the State against the same action as well;
- (2) Detailing the background and history of the federal independent counsel appointment process and duties; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 192, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3733 (Majority) Higher Education on H.C.R. No. 137

The purpose of this measure is to urge the President and the Board of Regents of the University of Hawaii to reaffirm their commitment to maintaining a systemwide Office of the Vice President for Student Affairs and to fill the vacant position of the Vice President for Student Affairs.

Testimony in support of the measure was submitted by the Hawaii Commission for National and Community Service, the Associated Students of the University of Hawaii at Manoa, the National Association of Student Personnel Administrators Hawaii, the University of Hawaii at Hilo Student Association, and four individuals. The Manoa Faculty Senate Executive Committee opposed the measure. The President of the University of Hawaii System offered comments.

Your Committee finds that there is agreement among all parties that attention to the needs of students is paramount, for students are the very reason the University exists. Your Committee further finds that a Vice President for Student Affairs is an essential resource for student advocacy, demonstrating a visible and pragmatic commitment to student affairs at the highest level of the University administration. Nevertheless, your Committee finds that the administration is proceeding with a “devolution initiative” under which the class specifications for the student affairs position will be revised to reflect a separation of the Manoa campus from the system administration. While your Committee recognizes that the subject of this concurrent resolution is a matter of internal management policy within the University, your Committee shares the concerns of the students and others who testified that a strong voice of advocacy for student interests is needed at the system level as well as on individual campuses.

Your Committee is very concerned that some members of the University administration and faculty appear fundamentally to misunderstand the nature and purpose of a legislative resolution. Far from being an attempt to dictate that the University “fill a particular position” or make an “unexamined commitment” to maintain the office of Vice President for Student Affairs, your Committee simply wishes to express its intent that, after duly considering all relevant options, the University continue to provide a system-wide advocate for student concerns at the highest level. Your Committee finds that otherwise, the students’ voice may become lost within the University administration.

Your Committee finds the President’s comments on the University’s exclusive constitutional jurisdiction over its internal structure, management, and operations troublesome. Your Committee notes that this measure was introduced by, among others, the Speaker, Vice Speaker, and Chair of the Higher Education Committee of the House of Representatives, and was adopted by the House on a forty-eight to zero vote with only three members excused. Your Committee wishes to remind the University administration that pursuant to the State Constitution, it is the Legislature which appropriates funds to, and maintains oversight over taxpayer and other expenditures of, all entities of state government. Accordingly, your Committee emphatically and strongly insists that public funds allocated within the University budget to the position of Vice President of Student Affairs not be used for any other purpose.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137, and strongly recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 1 (Sakamoto).

SCRep. 3734 Higher Education on H.C.R. No. 270

The purpose of this measure is to urge the University of Hawaii to speedily rebuild a School of Global and Public Health.

Testimony in support of the measure was submitted by the University of Hawaii; the American Industrial Hygiene Association, Hawaii Section; and one individual.

Your Committee finds that the closure of the former School of Public Health has severely limited the ability of the University of Hawaii to meet the State’s demands for public health workers, resulting in a shortage of these workers at a time when the need for them is expanding. Your Committee further finds that the lack of a School of Public Health limits the State’s ability to access public health research and training grant funds, without which the University is unable to participate in Centers for Disease Control cooperative agreements, tobacco control programs, and partnership opportunities with other universities in the Pacific.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 270, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3735 Higher Education on H.C.R. No. 170

The purpose of this measure is to request that the University of Hawaii revitalize the Lalamilo Research Station of in collaboration with the College of Tropical Agriculture and Human Resources.

Testimony in support of the intent of the measure was submitted by the Dean of the College of Tropical Agriculture and Human Resources.

Your Committee finds that Lalamilo Research Station is a promising site for research on effective farming practices compatible with residential communities and complementary to the successful development of new high-value crops for Hawaii’s farmers at the Mealani Research Station in Waimea. Your Committee further finds that the College is unable to revitalize the Lalamilo Station because the Executive Order under which the University once held the land is no longer in effect, and the Department of Land and Natural Resources has not delivered title to the University. Your Committee further finds that a charter school currently housed at the Station prevents use of part of the land and limits agricultural practices, such as pesticide spraying, that can be applied there.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3736 (Joint) Higher Education and Transportation and Government Operations on H.C.R. No. 266

The purpose of this measure is to request the University of Hawaii and the Department of Transportation to work collaboratively to pursue, on a priority basis, the relocation of the University of Hawaii Marine Center from the former Kapalama Military Reservation, Honolulu harbor.

Testimony in support of the measure was submitted by the Department of Transportation (DOT), the Chamber of Commerce of Hawaii, Alexander & Baldwin, Inc., Young Brothers, Ltd., Maritime Consultants of the Pacific, and the Hawaii Boaters Political Action Association. The School of Ocean and Earth Science and Technology (SOEST) of the University of Hawaii stated that it "does not oppose" the measure. The Hawaii Harbor Users Group submitted comments.

Your Committees find that the Kapalama Military Reservation is identified in the DOT Oahu Commercial Harbors 2020 Master Plan as the primary area for harbor expansion to meet projected growth. An initial critical step in the redevelopment of the Reservation is the relocation of the SOEST Marine Center, a long-term tenant of the Department of Land and Natural Resources that currently holds a lease for sixteen acres of harbor frontage without charge. This harbor frontage and adjacent area are critically needed to develop new deep water berthing piers and handling areas for cargo ships. The DOT has an appropriation for planning funds to begin the redevelopment effort, and is currently finalizing contracts including one to complete due diligence and cost estimates for the relocation of the Marine Center.

Your Committees further find that SOEST is willing to negotiate regarding the relocation of the Marine Center, and accordingly this measure will help to ensure the ability of the University of Hawaii to continue its international marine science and other programs critical to the Hawaii recreational fishing industry.

As affirmed by the records of votes of the members of your Committees on Higher Education and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 266, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 5 (Chun Oakland, Kanno, Menor, Sakamoto, Whalen).

SCRep. 3737 Higher Education on H.C.R. No. 314

The purpose of this measure is to request the University of Hawaii Institute for Astronomy to review and report on the long-term development of observatory sites on the summit of Mauna Kea.

Testimony in support of the measure was submitted by the Interim Vice President for Research of the University of Hawaii.

Your Committee finds while the Institute for Astronomy has become one of the University of Hawaii's most successful scientific programs and most respected astronomical institutions in the world, there is need for a balance between the support for science and respect for the cultural and environmental sensitivities of Hawaii's people. Ultimately, a limit must be placed on future development of the Mauna Kea summit, and this long-term development report is the first step in this process.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 314, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3738 Health on Gov. Msg. Nos. 346 and 347

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 346 ADLEEN ICHINOSE, for a term to expire 6-30-2010; and

G.M. No. 347 LESTER UYEDA, for a term to expire 6-30-2010

Your Committee received testimony in support of ADLEEN ICHINOSE from the Department of Health. Ms. Ichinose currently serves on the Board and is being nominated for reappointment. She is a committed member who previously served on the Board from 1989 to 1997. In 2002, after a five-year break, Ms. Ichinose was again appointed to the Board for another four-year term. She is a Radiologic Technologist, an advocate for quality health care, and a proven asset to the Radiologic Technology Board.

Your Committee received testimony in support of LESTER UYEDA from the Department of Health. Mr. Uyeda currently serves on the Board and is being nominated for reappointment. He is a committed member who previously served on the Board from 1989 to 1997. In 2002, after a five-year break, Mr. Uyeda was again appointed to the Board for another four-year term. He is a Certified

Medical Dosimetrist for The Queen's Medical Center and his dedication and knowledge of radiation oncology enable him to continue to be a valuable member of the Radiologic Technology Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 3739 Higher Education on Gov. Msg. No. 393

Recommending that the Senate advise and consent to the nomination of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 393 AMY E. YASUNAGA, RN, MSN, PhDc, for a term to expire 6-30-2010

Testimony in support of the nomination of AMY E. YASUNAGA was submitted by the Hawaii Government Employees Association and one individual.

Amy E. Yasunaga has more than thirty years of experience as a registered professional nurse in a variety of settings. As Family Nurse Practitioner for the Oahu Community Correctional Center, she currently holds three professional licenses as well as a Ph.D. in Nursing, and serves as well as Clinical Assistant Professor at the School of Nursing and Dental Hygiene, University of Hawaii at Manoa. Additionally, she is a steward and active member of the Hawaii Government Employees Association. Her continuing contributions to the Center for Nursing Advisory Board will be invaluable as it addresses the critical shortage of nurses in Hawaii and evaluates research projects and grant proposals on best nursing practices and means to recruit and retain nurses.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3740 Higher Education on Gov. Msg. No. 400

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

G.M. No. 400 HELENE I. SOKUGAWA, Ed.D., for a term to expire 6-30-2010

Testimony in support of the nomination of HELENE I. SOKUGAWA was submitted by three Members of the House of Representatives, the Interim Chancellor of the University of Hawaii at Manoa, the Hawaii Government Employees Association, and two individuals.

Helene I. Sokugawa has over twenty-seven years of postsecondary administrative experience in leading, planning, and assessing institutions and programs, including academic and student support assessment, coordinating accreditation visits, and chairing review panels for federal grant proposals. She is currently an Institutional Analyst in the office of the Vice Chancellor for Academic Affairs at the University of Hawaii, and holds a Doctor of Education degree in Educational Administration. Her background and experience have prepared her well to represent Hawaii on the Western Interstate Commission for Higher Education, which offers vital student exchange programs that enable states to avoid costly and unnecessary duplication of programs and facilities.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3741 Higher Education on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 251 MICHAEL A. DAHLIG, for a term to expire 6-30-2007

Testimony in support of the nomination of MICHAEL A. DAHLIG was submitted by forty individuals, including the Chairman and two members of the University of Hawaii Board of Regents; one former and five current officials of the University of Hawaii

administration; four faculty members of the School of Ocean and Earth Science and Technology; nine faculty members and students of the William S. Richardson School of Law; the Coordinator of the Filipino and Philippine Literature Program; five student leaders from the Manoa campus and two from other Oahu campuses; one faculty member and four student leaders from the Hilo campus; a Vice Chair of the National Federation of Filipino American Associations; the Principal of Ku'iwalu Consulting; and three other individuals.

Michael A. Dahilig is a graduate of Punahou School and the University of Hawaii, holding a Bachelor of Science degree with Honors in Geology and Geophysics. He currently sits on the Board of Regents as its student member, and is a Juris Doctor candidate in the William S. Richardson School of Law as well as a Masters Degree candidate in the Department of Urban and Regional Planning. He previously served as President of the Associated Students of the University of Hawaii at Manoa. There is ample testimony that Michael A. Dahilig is a person who listens creatively to all sides of an issue and exercises his own independent judgment when all factors and points of view have been rendered.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Sakamoto).

SCRep. 3742 Transportation and Government Operations on H.C.R. No. 79

The purpose of this measure is to request the Harbors Division of the Department of Transportation to proceed with executing the ten-year lease approved by the Department of Land and Natural Resources for Pacific Shipyards International to continue to provide vital ship repair services to the maritime community from its existing Honolulu Harbor facility.

The Department of Land and Natural Resources authorized a ten-year lease on March 28, 2003 for Pacific Shipyards International, a ship repair company, to continue to operate at Pier 41. Your Committee finds that Honolulu Harbor is in need of a ship repair facility and Pier 41 is the only available facility at this time.

Your Committee has amended this measure by adding a request that if Pacific Shipyards International cannot be accommodated, then another suitable location for it be found in Honolulu Harbor.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 79, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Menor, Whalen).

SCRep. 3743 Water, Land, and Agriculture on H.C.R. No. 11

The purpose of this measure is to request the Hawaii Invasive Species Council to study and report on specific strategies to prevent the spread of coqui frogs and other invasive species.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of Agriculture, and the Conservation Council for Hawaii.

Your Committee finds that it is very important for the State to control the spread of coqui frogs and other invasive species, and near-term solutions are needed to fight the spread of coqui frogs and other invasive species. Accordingly, this measure requests the Invasive Species Council to study and report on specific strategies to prevent the spread of coqui frogs and other invasive species within an island and between the islands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3744 Water, Land, and Agriculture on H.C.R. No. 300

The purpose of this measure is to establish a land use working group to address issues relating to non-agricultural activity on agriculturally classified lands.

Testimony in support of this measure was submitted by the Department of Agriculture, Office of Planning, and the Hawaii Farm Bureau Federation. Comments were also submitted by the Executive Officer of the Land Use Commission, the Hawaii Association of Realtors, and the Land Use Research Foundation.

Your Committee finds that for many decades, agriculturally classified lands have been used for non-agricultural purposes. Over the years, the Legislature has "grandfathered" improperly placed dwellings on agricultural lands or has carved out exceptions for these lands neighboring income-producing parcels. However, your Committee finds that these previous amendments to the law have only served to expand non-agricultural activity on agriculturally classified lands. This measure establishes a land use working group to

address the use of non-agricultural activity on agriculturally classified lands and requests the working group to submit its findings and recommendations to the Legislature.

Your Committee noted and concurs with the testimony from the Office of Planning identifying that the Land Use Working Group could provide a critical function by examining the range of issues raised in the resolution and those being raised in the important agricultural lands incentives and rural policy activities currently being conducted in response to Acts 183 and 205, Session Laws of Hawaii 2005.

Your Committee further noted from the Office of Planning that the immediate convening of the Land Use Working Group may conflict with other working groups currently assembled, as these other working groups are comprised of many of the same members as outlined for the Land Use Working Group. Thus, the Office of Planning suggests that the Land Use Working Group convene in the fall of 2006 with the purpose of consolidating the recommendations of the Agricultural Incentives and Rural Planning working groups, identifying any additional information needed prior to the start of the 2007 regular session, and providing an opportunity for early review and comment on the proposals.

Your Committee finds that the consolidation, review, and public comment on a statewide level in the fall of 2006 is appropriate, as there will be a number of challenging land use, rural, and agricultural land policy issues that will need to be addressed in 2007.

Your Committee also noted testimony from the Hawaii Association of Realtors requesting to be included in the working group. Your Committee believes that this suggestion has merit and finds that the Land Use Working Group should consult with the Hawaii Association of Realtors for guidance and input.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 300, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3745 Media, Arts, Science and Technology on Gov. Msg. Nos. 371 and 372

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 371 GAIL ANN HONDA, PH.D., for a term to expire 6-30-2010; and

G.M. No. 372 ASSUMPTA C. RAPOZA, for a term to expire 6-30-2010

GAIL ANN HONDA, PH.D. currently serves on the Board of Directors of the High Technology Development Corporation. She received her Bachelor of Arts degree from Northwestern University and her Master in Business Administration with a specialization in Management Science and Operations Management and her Doctorate in Japanese Economic History from the University of Chicago. Dr. Honda is the President and Chief Executive Officer of Global Optima, Inc., which is a professional writing and editing services company that focuses on technology; is a technology columnist for *Hawaii Hospitality Magazine*; and is an occasional television commentator for the technology segment on KHON-TV morning news. Her writing has been published in *The Essential Guide to Internet Business Technology*, and she has made numerous technology presentations throughout the State. Furthermore, Dr. Honda is an adjunct faculty member teaching professional writing, advertising, and technical communication classes at Hawaii Pacific University, an instructor teaching an E-business class at University of Phoenix Hawaii Campus, and an instructor teaching an effective writing class at Honolulu Community College.

Your Committee received testimony in support of Dr. Honda's nomination for a second term on the Board of Directors of the High Technology Development Corporation from the High Technology Development Corporation and one individual.

Your Committee finds that Dr. Honda's considerable knowledge and expertise in the commercial high technology industry is an asset for the Board. She has considerable experience with the development and writing of business plans, and in helping companies to understand how to create market awareness of their products and services, both of which are integral to the success of start-up companies. Because the majority of Hawaii technology start-up companies are still in the area of information and telecommunication technology, Dr. Honda's previous research and publications on the Internet and eCommerce make her a valuable resource for the Board, staff, and tenants of the High Technology Development Corporation.

ASSUMPTA C. RAPOZA is currently the Director of Corporate Services at Hawaii Medical Service Association (HMSA). She received her Bachelor of Business Administration degree in Management Information Systems from the University of Hawaii at Manoa and her Master of Business Administration from Chaminade University. Before joining HMSA, Ms. Rapoza gained extensive experience in the fields of management information systems and risk management at GTE Hawaiian Tel, InfoTech, and Bank of Hawaii.

Your Committee received testimony in support of Ms. Rapoza's nomination to the Board of Directors of the High Technology Development Corporation from the High Technology Development Corporation and five individuals.

Your Committee finds that Ms. Rapoza's extensive background in information management will be a valuable resource for the Board of Directors of the High Technology Development Corporation. Although there are a growing number of biotechnology companies starting up in Hawaii, the focus of a large number of the technology start-ups in the State still remain in the areas of

information and telecommunication technology. The knowledge and insight that Ms. Rapoza has gained from her many years of experience in these areas will be a significant asset for the Board as they consider the many demands and opportunities that the agency faces.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3746 Commerce, Consumer Protection and Housing on Gov. Msg. No. 367

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 367 GAY L. MATHEWS, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of GAY L. MATHEWS from the Department of Commerce and Consumer Affairs and the Hawaii Credit Union League.

Ms. Mathews has served as President and Chief Executive Officer of the North Hawai'i Community Federal Credit Union (NHCFCU) since 1987. Under her leadership, NHCFCU has increased its membership to 3,600 by expanding its services from Honoka'a to the entire island community. Based on her professional experience, your Committee finds that Ms. Mathews is a person of proven credit union experience.

Ms. Mathews has also been deeply involved in community efforts including the Hawaii Community Loan Fund, the County of Hawaii's Workforce Investment Board, the Board of the Hawaii County Resource Center, and the Mayor's Going Home Initiative which reintegrates ex-offenders into their communities. Based on this commitment to the community and her effective participation in these efforts, your Committee also finds that Ms. Mathews is a dedicated public servant who can make significant contributions to the Credit Union Advisory Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3747 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 401 and 402

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 401 ROSEMARIE E. AQUINO, for a term to expire 9-12-2006; and

G.M. No. 402 ROSEMARIE E. AQUINO, for a term to expire 9-12-2010

ROSEMARIE E. AQUINO is nominated to the Commission on the Status of Women for two separate terms, the first expiring on September 12, 2006, and the second to expire on September 12, 2010.

Your Committee received personal testimony from ROSEMARIE E. AQUINO.

Ms. Aquino received her bachelor of arts degree in English from the College of the Holy Spirit. Thereafter, Ms. Aquino worked at the Bishop Trust Company from 1985 to 1993. Ms. Aquino has been with Bank of Hawaii since 1993 and is currently a vice president.

Ms. Aquino has also been involved with various community and professional organizations including, the Filipino Association of University Women, the American Bankers Association, the Institute of American Bankers and the American Cancer Society.

Your Committee finds that Ms. Aquino's knowledge and experience will be a great asset to the Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3748 Judiciary and Hawaiian Affairs on Gov. Msg. No. 403

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 403 MAMO P. GRAHAM, for a term to expire 6-30-2010

Your Committee received personal testimony from MAMO P. GRAHAM.

Ms. Graham graduated from Kapaa High School and went on to attend Pacific University and Portland State University. Ms. Graham was an agency owner for Farmers Insurance Group from 1990 to 1994. Thereafter, she was an administrative assistant with Prudential Real Estate Professionals. From 1995 to 1999, Ms. Graham worked as the EDA Grants Administrator for the County Office of Economic Development. Ms. Graham was the president of the Kauai Chamber of Commerce from 1999 to 2004 and is currently the Director of Resort Marketing at the Princeville Resort in Hanalei.

Your Committee finds that Ms. Graham's knowledge and experience will make her a great asset to the Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3749 Judiciary and Hawaiian Affairs on Gov. Msg. No. 404

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 404 MARGARET KURODA MASUNAGA, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of MARGARET KURODA MASUNAGA from the Attorney General and three individuals.

Ms. Masunaga received her bachelor of arts degree from the University of California, Berkeley. She received her juris doctorate from McGeorge School of Law at the University of the Pacific. From 1987 to 1991, Ms. Masunaga was an associate with the law firm of Goodsill Anderson Quinn & Stifel. She is currently a deputy corporation counsel for the County of Hawaii.

Your Committee finds that Ms. Masunaga is currently the Chair of the Hawaii State Commission on the Status of Women and with her knowledge and experience, Ms. Masunaga will continue to be a great asset to the Commission.. Your Committee further finds that as required by the eight-year limitation set by section 26-34(a), Hawaii Revised Status, Ms. Masunaga's reappointment to the Commission shall expire on August 31, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3750 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 445 and 446

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 445 TAI SUK HAHN, for a term to expire 6-30-2010.; and

G.M. No. 446 THOMAS K. SING, for a term to expire 6-30-2008

Your Committee received personal testimony from TAI SUK HAHN.

Mr. Hahn is a 1958 graduate of Kaimuki High School. He attended both the University of Hawaii at Manoa and Kapiolani Community College.

From 1961 to 1968, Mr. Hahn was a member of the United States Army. From 1974 to 1991, Mr. Hahn was the vice president and manager of Paradise Finance, Inc. From 1991 to 2002, he was the editor and vice president of the Korea Daily of Hawaii. Mr. Hahn is currently retired.

Mr. Hahn has also been involved in various community organizations, including the Hawaii Longline Association, the Hawaii Korean Longline Boat Owners Association, and the Hawaii Korean Chamber of Commerce.

Your Committee received testimony in support of the nomination of THOMAS K. SING from one individual.

Mr. Sing graduated from McKinley High School and received further education at the Labor Education Center in Washington, D.C. From 1959 to 2003, Mr. Sing was the president of Graphics Communications International Union, Local 501-M. He is currently the Business Manager of Graphics Communications International Union, Local 501-M.

Mr. Sing has also been active in various community organizations including Aloha United Way, Hawaii Public Television, the Civil Service Commission, and Hawaii Dental Service. Mr. Sing was also in the United States Naval Reserves for sixteen years.

Your Committee finds that both Mr. Hahn and Mr. Sing have a wealth of knowledge and experience that will contribute greatly to their roles as members of the Correctional Industries Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3751 Judiciary and Hawaiian Affairs on Gov. Msg. No. 468

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 468 MALIA K.H. AKUTAGAWA, ESQ., for a term to expire 6-30-2008

Your Committee received testimony in support of the nomination of MALIA K.H. AKUTAGAWA, ESQ. from the Department of Land and Natural Resources and one individual.

Ms. Akutagawa is a graduate of Whitworth College, where she received her bachelor of arts degrees in biology and philosophy in 1993. She also attended the Minorities in Marine Science Undergraduate Program at Western Washington University. In 1997, Ms. Akutagawa received her juris doctorate from the William S. Richardson School of Law. While there, she earned an Environmental Law Certificate. In 2000, Ms. Akutagawa received a certificate from the Oceanic Institute in Marine Finfish Hatchery, Live Larval Feeds Culture, Nursery & Grow-out, and Broodstock Management.

Ms. Akutagawa was a cultural diversity advocate from 1991 through 1992. During the summer of 1992, Ms. Akutagawa was a research assistant with the Hawaii Institute of Marine Biology in Kaneohe. She continued to work in the field of marine biology and environmental affairs. From 2000 to 2002, Ms. Akutagawa was a staff attorney with Native Hawaiian Legal Corporation. She is currently the Director of the Molokai Rural Development Project.

Your Committee finds that Ms. Akutagawa has served on various boards and commissions. Most recently, Ms. Akutagawa was the Chair of the Molokai Planning Commission. This, along with her other experiences, will assist Ms. Akutagawa in taking a balanced and fair approach in terms of decision-making and arriving at mutually beneficial solutions for the community and between all parties involved.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3752 Judiciary and Hawaiian Affairs on Gov. Msg. No. 469

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 469 T. KEHAULANI KRUSE, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of T. KEHAULANI KRUSE from the Department of Land and Natural Resources and one individual.

Ms. Kruse attended St. Andrews Priory and Kamehameha Schools. She is a 1959 graduate of Roosevelt High School. She attended the University of Hawaii for two years. Ms. Kruse worked for Sheraton Hotels from 1960 to 1969. Thereafter, she worked for Alu Like until 1979. From 1979 to 1989, she was employed by the Nature Conservancy of Hawaii. She then worked for Outrigger Hotels & Resort from 1989 to 1991 and from 1992 to 2004 as a cultural resources specialist. Ms. Kruse also worked for the State Historic Preservation Burials Department from 1991 to 1992. She is currently retired but is involved with various Hawaiian community organizations.

Your Committee finds that Ms. Kruse is currently serving on the Burial Council and has developed a strong understanding for native Hawaiian burial laws and regulations. Her extensive knowledge of the Hawaiian culture and her experiences with the State Historic Preservation Division and as a cultural resources specialist with Outrigger Hotels & Resorts will continue to serve her well as a member of the Burial Council for the Island of Oahu.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3753 Judiciary and Hawaiian Affairs on Gov. Msg. No. 470

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'IHAU

G.M. No. 470 DEE M. CROWELL, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of DEE M. CROWELL from the Department of Land and Natural Resources.

Mr. Crowell is a graduate of Kamehameha Schools. He received his bachelor of science degree from the University of Southern California. Mr. Crowell has worked at various engineer companies since 1976. From 1993 to 2003, he was the Director of the Planning Department for the County of Kauai. From 2003 to 2005, he was the Regional Manager for Sandwich Isles Communications, Inc. He is presently the Director of Planning for the Kukui`ula Development Company.

Your Committee finds that in Mr. Crowell's ten years as the Planning Director for the County of Kauai, he has dealt with Burial Council issues including procedures and enforcement actions. Mr. Crowell will work well with other Council members to determine appropriate solutions to the issues faced by the Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3754 Judiciary and Hawaiian Affairs on Gov. Msg. No. 489

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 489 CAROL M. JUNG, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of CAROL M. JUNG from five individuals.

Ms. Jung graduated summa cum laude from the University of Hawaii at Hilo in 1992. She received her juris doctorate in 1997 from the Dickinson School of Law, Pennsylvania State University. Ms. Jung acted as the Executive Assistant to the Chairman of the National Democratic Committee from 1984 to 1988. Prior to this, she managed the Washington, D.C. office of the Philadelphia based law firm of Dilworth, Paxson, Kalish & Kauffman. After graduating from law school in 1997, Ms. Jung clerked with Judge Ronald Ibarra in the Circuit Court of the Third Circuit, Kona Division until 2003. She is currently in private practice in Kailua-Kona, Hawaii.

Your Committee finds that Ms. Jung has a wealth of experience in the political and legal field and that these experiences will make her a great asset to the Board of Registration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3755 Judiciary and Hawaiian Affairs on Gov. Msg. No. 503

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 503 ULULANI K. SHERLOCK, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of ULULANI K. SHERLOCK from the Department of Land and Natural Resources and one individual.

Ms. Sherlock is a 1958 graduate of Kamehameha Schools. She received her bachelor of arts degree from the University of Hawaii at Hilo. Ms. Sherlock is currently a community resource liaison. Ms. Sherlock is also involved in numerous community organizations and has served as the president of Alu Like, Inc., Prince David Kawanakoa Hawaiian Civic Club, 'Ahahui Hale O Na Ali'i O Hawai'i, and the Kamehameha Schools Association of East Hawai'i Alumni Association/Mamalahoe Chapter.

Your Committee finds that based upon Ms. Sherlock's education, professional, and community-based experiences, Ms. Sherlock will be a great asset to the Burial Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3756 Judiciary and Hawaiian Affairs on Gov. Msg. No. 504

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 504 CHARLES KAULUWEHI MAXWELL SR., for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of CHARLES KAULUWEHI MAXWELL SR. from the Department of Land and Natural Resources and one individual.

Mr. Maxwell worked as a Maui County Police Officer from 1959 to 2000. He is currently a cultural specialist.

Your Committee finds that Mr. Maxwell is presently the Chair of the Burial Council for the Islands of Maui and Lanai and was instrumental in the development of Hawaii's burial laws and regulations. He has been active in advocating for the protection of native burial sites and has extensive knowledge of native Hawaiian burial practices and traditions. Your Committee further finds that Mr. Maxwell has assisted the Department in responding to inadvertent burial discoveries for years and your Committee recommends that he continue to serve as part of the Burial Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3757 Judiciary and Hawaiian Affairs on Gov. Msg. No. 517

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKAI, LANAI, AND KAHO'OLAWA

G.M. No. 517 ANDREW MUTSUO HIROSE, for a term to expire 6-30-2007

Your Committee received personal testimony from ANDREW MUTSUO HIROSE.

Mr. Hirose is a graduate of Hilo High School. He attended Lehigh University, where he received his bachelor of science degree in mechanical engineering. From 1959 to 1987, Mr. Hirose held various engineering positions with Hawaiian Commercial and Sugar Company. From 1991 to 2001, Mr. Hirose worked for the Solid Waste Division of the County of Maui. He is now retired.

Your Committee finds that Mr. Hirose's wealth of experience and knowledge will serve him well as the member representing Maui, Molokai, Lanai, and Kaho'olawe on the Board of Registration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).

SCRep. 3758 Water, Land, and Agriculture on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nomination of the following:

KAUAI AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 316 LOIS FUJISHIGE, for a term to expire 6-30-2010

LOIS FUJISHIGE works has worked as a coin collector at Verizon Hawaii for thirty-six years. Since 1994, Ms. Fujishige has been an active member of the Kauai Hunting Association, and she has been certified with the Hawaii Hunter Education Program for thirteen years. She is an avid game bird and mammal hunter and is an active volunteer member of the Kauai Division of Forestry and Wildlife. Ms. Fujishige has also been involved with various game management projects such as the Kauai pheasant release project, the annual Kauai game bird surveys, and the game feeder and game water unit maintenance projects.

Testimony in support of Ms. Fujishige was submitted by the Department of Land and Natural Resources.

Your Committee finds that the nominee's experience coupled with a strong commitment to public service, make her an asset to the Kaua'i Aquatic Life and Wildlife Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3759 Water, Land, and Agriculture on Gov. Msg. No. 342

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 342 JAMES D. JACOBI PHD, for a term to expire 6-30-2010

Since 2001, DR. JAMES D. JACOBI has been working as a biologist with the United States Geological Survey, Pacific Island Ecosystems Research Center on the island of Hawaii. Dr. Jacobi has also worked in many botanist and biologist positions in Hawaii for over thirty-five years. He received a Bachelor of Arts degree in Biology from the University of California, Riverside and a Doctorate of Philosophy in Botanical Sciences. Dr. Jacobi is a member of the Ecological Society of America, the International Association for Vegetation Science, the Pacific Science Association, the Hawaii Botanical Society, the Hawaii Chapter of the Wildlife Society, and the Hawaii Audubon Society. He has published at least twelve articles in his subject matter and is also currently serving on the Natural Area Reserve System Commission.

Testimony in support of Dr. Jacobi was submitted by the Department of Land and Natural Resources and the Conservation Council for Hawai'i.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3760 Water, Land, and Agriculture on Gov. Msg. No. 399

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 399 GUY SEICHI MORIGUCHI, for a term to expire 6-30-2010

GUY SEICHI MORIGUCHI worked as a plant hand for the County of Kauai for fourteen years. Since 1994, Mr. Moriguchi has worked at Aqua Engineers Inc. as a water distribution system operator, a water treatment plant operator, a wastewater treatment plant operator, and is currently a water/wastewater operations/mechanics team leader. He is a member of the Hawaii Water Environment

Association (HWEA) and the American Water Works Association and has received the HWEA Bill Hong Award and the HWEA Service Award.

Testimony in support of this nominee was submitted by the Department of Health and Aqua Engineers.

Your Committee finds that the nominee's extensive experience in water systems operation make him an asset to the Board of Certification of Public Water System Operators.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3761 Water, Land, and Agriculture on Gov. Msg. No. 407

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 407 TIMOTHY E. JOHNS, for a term to expire 6-30-2010

TIMOTHY E. JOHNS currently serves as the Chief Operating Officer for the Estate of Samuel Mills Damon, a Trustee for the Parker Ranch Foundation Trust, and a member of the Board of Land and Natural Resources. Mr. Johns has had a distinguished career in Hawaii working for AMFAC/JMB Hawaii Inc.; the Nature Conservancy; Carlsmith, Wichman, Case, Mukai & Ichiki; and the Department of Land and Natural Resources. He also taught business law at the University of Hawaii and Windward Community College. Mr. Johns received a Bachelor of Arts degree in History and Business Economics from the University of California, Santa Barbara and a Master of Arts degree in Economics and a Juris Doctorate degree from the University of Southern California.

Testimony in support of Mr. Johns was submitted by the Department of Land and Natural Resources; the Agribusiness Development Corporation; the Office of Hawaiian Affairs; the Conservation Council for Hawai'i; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the International Longshore and Warehouse Union Local 142; the Ocean Tourism Coalition; the Hawaii Chapter of the Sierra Club; the Trust for Public Land; and twenty-three individuals.

Your Committee finds that the nominee's extensive experience, coupled with a strong commitment to public service, make him an asset to the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3762 Water, Land, and Agriculture on Gov. Msg. No. 337

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 337 RANSOM A.K. PILTZ, for a term to expire 6-30-2010

Since 1973, RANSOM A.K. PILTZ has been an electrical contractor on Maui. He has served on the Maui Planning Commission for five years, the Maui Contractors' Association for over thirty-three years, and the Land Use Commission for the past four years. Mr. Piltz has been on the Commission for one year, has attended meetings diligently, and has shown himself to be committed, fair, and impartial. Mr. Piltz has also been involved with the Maui Youth and Family Services for eight years and the St. Anthony School Board for twelve years.

Testimony in support of the nominee was submitted by the Executive Officer of the Land Use Commission, the International Longshore and Warehouse Union Local 142, and one individual.

Your Committee finds that the nominee's experience, coupled with a strong commitment to public service, makes him an asset to the Land Use Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3763 (Majority) Water, Land, and Agriculture on Gov. Msg. Nos. 318 and 366

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 318 EVELYN E. SOUZA, for a term to expire 6-30-2010; and

G.M. No. 366 MAEDA C. TIMSON, for a term to expire 6-30-2010

EVELYN E. SOUZA is the Parent Community Networking Center Coordinator at Makakilo Elementary School and a CORE Training trainer for the Department of Human Services. Ms. Souza has served as a member of the Hawaii Community Development Authority since 2003 and is also an active community member.

MAEDA C. TIMSON, is an Assistant Vice President and Manager at First Hawaiian Bank and has worked there for thirty-four years. She was the recipient of the 1994 Kapolei Outstanding Achievement Award for Community Service and the 2000 award for Lifetime Service and has been actively involved in the planning of the Kalaeloa Redevelopment area. She has been a member of the Makakilo/Kapolei/Honokai Hale Neighborhood Board since 1996 and has served as a member of the Hawaii Community Development Authority since 2002.

Testimony in support of Ms. Souza was submitted by the chair of the Hawaii Community Development Authority, a member of the House of Representatives, and four individuals. Testimony in opposition to Ms. Souza was submitted by eighteen individuals.

Testimony in support of Ms. Timson was submitted by the chair of the Hawaii Community Development Authority, the Hawaii Farm Bureau Federation, and five individuals.

Your Committee members diligently questioned Ms. Souza regarding the testimony in opposition to her nomination. Ms. Souza indicated that she believes that the opposition to her nomination stems from an organization that she belongs to. This organization was formed to preserve Hawaii Raceway Park. She indicated that her views and support of this organization do not conflict with her duties and responsibilities as a member of the Hawaii Community Development Authority, and based on her answers, your Committee finds that Ms. Souza adequately addressed the concerns. As such, your Committee recommends that Ms. Souza be re-appointed as a member of the Hawaii Community Development Authority based on her knowledge of her community and the issues it faces, as well as her previous experience on the Hawaii Community Development Authority.

Your Committee further recommends that Ms. Timson be re-appointed to the authority. Her banking experience, first-hand knowledge of the intricacies of city and state government and the process of local land development, and prior service for one full term on the Hawaii Community Development Authority makes her an asset to the authority.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Record of votes for Evelyn S. Souza:
Ayes, 3. Noes, 1 (Fukunaga). Excused, 1 (English).

Signed by the Chair on behalf of the Committee.
Record of votes for Maeda C. Timson:
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3764 Ways and Means on H.C.R. No. 48

The purpose of this measure is to request the federal government to allow national guard members and military reservists with twenty or more years of service to retire with full retirement benefits at age fifty-five.

Your Committee finds that guard members and reservists with twenty years of service are not entitled to receive any retirement benefits until they attain age sixty. In contrast, members of the active military with the same length of service are entitled to their benefits immediately upon retirement. Your Committee believes that greater parity should be accorded to guard members and reservists.

As 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. 48, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Inouye, Kanno, Hemmings, Trimble).

SCRep. 3765 Ways and Means on H.C.R. No. 230

The purpose of this measure is to encourage the development of a state-province relationship between the State of Hawaii and the Province of Isabela of the Republic of the Philippines by requesting the Governor to take necessary actions to establish such a state-province relationship.

Your Committee believes that expanding the existing relationships between Isabela Province and the State would promote international friendship, strengthen cultural, social, and economic ties, and be mutually beneficial to both the State and Isabela Province. Isabela Province is known as the "Rice Granary of the North" and is rich in natural resources. In addition, the province is developing its tourism industry. Because there are a significant number of Filipinos in Hawaii who are from or have ties to Isabela Province, there is an already established linkage between the State and the province. Your Committee finds that a state-province relationship would further the existing ties and serve as a conduit for cultural, educational, economic and professional, and humanitarian exchanges between the State and Isabela Province.

As 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. 230, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Hemmings, Trimble).

SCRep. 3766 Ways and Means on Gov. Msg. No. 396

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 396 ALAN MUN LEONG YEE, for a term to expire 6-30-2010

The Department of Taxation submitted testimony in favor of this nomination. In its testimony, the Department noted that Mr. Yee is a Certified Public Accountant and a tax partner in the Honolulu accounting firm of KMH Accounting, LLP. Your Committee finds that Mr. Yee, with twenty-four years of experience in dealing with issues involving federal and state taxes, is well qualified to serve on the Board of Taxation Review.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Kim, Kokubun).

SCRep. 3767 Ways and Means on Gov. Msg. No. 397

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 397 MICHAEL CHANG, for a term to expire 6-30-2010

Upon review of the statement submitted by the nominee and supporting testimony, your Committee finds that Michael Chang will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that Mr. Chang has been appointed based upon his credentials, integrity, and desire to make Hawaii better through his participation on the Board of Taxation Review, 3rd Taxation District.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Kim, Kokubun).

SCRep. 3768 Ways and Means on Gov. Msg. No. 398

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 398 RONALD WILLIAM PEEREN, for a term to expire 6-30-2010

Upon review of the statement submitted by the nominee and supporting testimony, your Committee finds that Ronald William Peeren will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that Mr. Peeren has been appointed based upon his credentials, integrity, and desire to make Hawaii better through his participation on the Board of Taxation Review, 4th Taxation District.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Kim, Kokubun).

SCRep. 3769 Ways and Means on Gov. Msg. No. 520

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 520 MELANIE KING, for a term to expire upon adjournment sine die 2007

Your Committee has reviewed the personal history, résumé, supporting testimony, and a personal statement submitted by Ms. King and finds that the nominee possesses the necessary qualifications to be appointed to the Tax Review Commission.

Your Committee further finds that Ms. King has a wealth of experience in the accounting profession as a certified public accountant and as a tax department manager in the corporate sector. Her expertise in the areas of individual, estate, trust, and business entity tax accounting will enhance the Tax Review Commission's ability to better serve Hawaii's taxpayers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Kanno, Kim, Kokubun).

SCRep. 3770 Water, Land, and Agriculture on H.C.R. No. 200

The purpose of this measure is to request the Department of Land and Natural Resources to conduct an analysis of local, national, and international incentives and programs to promote landowner protection of important mauka lands.

This measure also requests that the Department of Land and Natural Resources recognize the public benefits of the ecosystem services provided by important mauka lands.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Cattlemen's Council, Inc., the Hawaii Forest Industry Association, the Nature Conservancy, the Land Use Research Foundation of Hawaii, Maui Land and Pineapple Company, Inc., and the McCandless Ranch.

Preserving and protecting our natural environment and resources is critical to ensure a promising future for our residents, especially our children. Mauka lands in Hawaii provide scenic beauty for residents and visitors, and many of the forests and woodland areas are the last refuge for many of Hawaii's rare and endangered plants and animals, many of which exist nowhere else on earth.

Your Committee finds that the Department of Land and Natural Resources, working together with scientific and economic experts in the field, as well as other interested parties, can properly analyze local, national, and international incentives and programs to promote landowner protection of important mauka lands and encourage recognition of the public benefits of the ecosystem services that those lands provide.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3771 Water, Land, and Agriculture on H.C.R. No. 180

The purpose of this measure is to request the Board of Agriculture and the Agribusiness Development Corporation to aggressively pursue federal funds for the repair and maintenance of irrigation systems that support agricultural production.

Testimony in support of this measure was submitted by the Mayor of the County of Maui, Alexander & Baldwin, Inc., Hawaii Crop Improvement Association, Meadow Gold Dairies, and the Pineapple Growers Association of Hawaii. Testimony in opposition to this measure was submitted by the Department of Agriculture. Comments on the measure were also submitted by the Agribusiness Development Corporation.

The Legislature is in the process of establishing the Irrigation Repair and Maintenance Special Fund to be administered by the Board of Agriculture, in conjunction with the Agribusiness Development Corporation. Many of the irrigation systems used and maintained for agricultural production have fallen into disrepair for lack of proper maintenance. The purpose of the special fund is to provide for repair and maintenance of private and public irrigation systems used for agricultural production.

Your Committee finds that the Board of Agriculture and the Agricultural Development Corporation should aggressively seek federal money as matching funds that the State will deposit into the Special Fund to repair and maintain irrigation systems that support agricultural production. Accordingly, this measure requests the Board of Agriculture and the Agricultural Development Corporation to seek that type of federal support.

Your Committee notes concerns from the Department of Agriculture that this measure sets up an unrealistic expectation that public funds will be available to address the repair and maintenance of privately owned agricultural irrigation systems. The Department of Agriculture further mentioned concerns regarding the need for the federal government to provide specific sums of money in order for the State to transfer the sums it intends to appropriate.

However, your Committee emphasizes that this measure does not contain any mention of money amounts or conditions of how or when state money will be transferred. This measure marks the initiation of the concept of the fund, and the absence of specific monetary amounts was excluded on purpose to accentuate the team effort needed to receive federal funding.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 180, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3772 Water, Land, and Agriculture on Gov. Msg. Nos. 315, 377 and 378

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 315 CARL A. CARLSON, JR., for a term to expire 6-30-2010;

G.M. No. 377 DIANE L. LEY, for a term to expire 6-30-2010; and

G.M. No. 378 DERRICK F. NISHIMURA, for a term to expire 6-30-2010

CARL A. CARLSON, JR. possesses extensive experience in agriculture and ranching, having served as president for Parker Ranch, Inc., Hawaii Meat Company, Ltd., and Kona Livestock & Land Management, Ltd. He earned a Bachelor of Science degree from California State Polytechnic University. Mr. Carlson's professional and community affiliations include serving as a director of The Nature Conservancy of Hawaii and The Kohala Center, and as a member of the National Cattlemen's Beef Association, the Hawaii Cattlemen's Council, and Kona Family YMCA. He is currently on the Board of Agriculture.

DIANE L. LEY is the deputy director for the County of Hawaii's Department of Research and Development and has worked as the deputy to the chairperson for the Department of Agriculture, an administrative assistant for both the Big Island Farm Bureau and the Hawaii Farm Bureau Federation, and an assistant coordinator for the University of Hawaii College of Tropical Agriculture and Human Resources' Agricultural Leadership Foundation Program. Ms. Ley's professional and community affiliations include the Agricultural Leadership Foundation of Hawai'i, the Agribusiness Development Corporation, the Agricultural Leadership Foundation of Hawaii Alumni Association, the Hawaii Florist and Shippers Association, the Agriculture Committee for the Hawaii Island Economic Development Board, and the Fern Forest Community Association.

DERRICK F. NISHIMURA has over twenty-five years of experience working in the agricultural industry. Currently, he works for Kilauea Agronomics as an orchard superintendent. Mr. Nishimura received a Bachelor of Science degree in general agriculture from the University of Hawaii at Hilo. He is a current member of the Kauai County Farm Bureau and the Hawaii Coffee Growers Association and has served on both organizations' boards.

Testimony in support of Mr. Carlson was submitted by the Department of Agriculture, the Hawaii Leeward Planning Conference, KTA Super Stores, and twenty individuals.

Testimony in support of Ms. Ley was submitted by the Department of Agriculture, the Agribusiness Development Corporation, the Mayor of the County of Hawaii, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, and three individuals.

Testimony in support of Mr. Nishimura was submitted by the Department of Agriculture, the Agribusiness Development Corporation, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, and three individuals.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3773 Health on Gov. Msg. Nos. 381, 382, 383, 384, 385, 386 and 387

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 381 JOAN BELLARD, for a term to expire 6-30-2010;
- G.M. No. 382 NAOMI S. GROSSMAN, for a term to expire 6-30-2010;
- G.M. No. 383 BERNADETTE LUCY KELIIAA, for a term to expire 6-30-2007;
- G.M. No. 384 JEAN S. KIYABU, for a term to expire 6-30-2010;
- G.M. No. 385 PATRICIA A. NISHIMOTO, for a term to expire 6-30-2008;
- G.M. No. 386 MICHAEL D. TADA, for a term to expire 6-30-2008; and
- G.M. No. 387 J. CURTIS TYLER III, for a term to expire 6-30-2010

Your Committee received testimony in support of JOAN BELLARD from the State Council on Developmental Disabilities, Lokelani Ohana, and two individuals. Ms. Bellard is a resident of Maui and a mother of an individual with a developmental disability. She is a retired Registered Nurse and active volunteer for various human services agencies. Ms. Bellard's commitment to advocacy for the developmentally disabled community will enable her to be a valuable member of the State Council on Developmental Disabilities.

Your Committee received testimony in support of NAOMI S. GROSSMAN from the State Council on Developmental Disabilities and Family Voices of Hawaii. Ms. Grossman is a resident of Oahu and is the parent of an individual with a developmental disability. She has extensive educational and professional experience in the field of human services and social work. Ms. Grossman's commitment to community service will make her a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony in support of BERNADETTE LUCY KELIIAA from the State Council on Developmental Disabilities and four individuals. Ms. Keliiaa is a resident of Oahu and the parent of an individual with a developmental disability. Ms. Keliiaa's personal experiences and her commitment to improving the quality of life for individuals with developmental disabilities will make her a valuable member of the State Council on Developmental Disabilities.

Your Committee received testimony in support of JEAN S. KIYABU from the State Council on Developmental Disabilities, the Department of Education Special Education Section, and one individual. Ms. Kiyabu presently serves on the Council and is being nominated for reappointment. She is a resident of Oahu and a representative for the Department of Education. Ms. Kiyabu has proven herself to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony in support of PATRICIA A. NISHIMOTO from the State Council on Developmental Disabilities, the Department of Health, Family Voices of Hawai'i, and two individuals. Ms. Nishimoto has earned a Ph.D. in Social Welfare and is the Chief Executive Officer of Responsive Caregivers of Hawaii. Her extensive educational background, professional experience, and commitment to community service will make her an indispensable contributor and member of the State Council on Developmental Disabilities.

Your Committee received testimony in support of MICHAEL D. TADA from the State Council on Developmental Disabilities, the Hawaii Centers for Independent Living, and one individual. Mr. Tada is a resident of Oahu and lives with a developmental disability. Mr. Tada's personal experiences and dedication to improving the quality of life for individuals with developmental disabilities make him an essential member of the State Council on Developmental Disabilities.

Your Committee received testimony in support of J. CURTIS TYLER III from the State Council on Developmental Disabilities and one individual. Mr. Tyler is a resident of the County of Hawaii and is a family member of an individual with a developmental disability. Mr. Tyler has previously served on this Council and, after a three-year break, is being nominated to serve a third term. Mr. Tyler's experience as a community leader, legislator, and Hawaii County Council member have enabled him to be a valuable contributor to the Council. Mr. Tyler's knowledge of local, state, and federal government and his dedication to community service make him a valuable member of the State Council on Developmental Disabilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3774 Water, Land, and Agriculture on Gov. Msg. Nos. 429 and 430

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 429 JERRY EDLAO, for a term to expire 6-30-2009; and

G.M. No. 430 SAMUEL M. GON III, for a term to expire 6-30-2009

JERRY EDLAO owns Accu-Pest & Termite Control Service and has worked in the pest control industry since 1974. He is a member and director of the Maui Contractors Association and a member, vice president, and former board member of the Hawaii Pest Control Association. He has served on the Maui County Planning Commission as a member and the chair, as well as the vice chair of Maui County's Board of Variances and Appeals.

SAMUEL M. GON III is the senior scientist and cultural advisor for The Nature Conservancy of Hawai'i. He has also been an affiliate faculty member at University of Hawaii at Manoa's Department of Urban and Regional Planning since 1999. Dr. Gon holds a Bachelor of Science degree in zoology from the University of Hawaii at Manoa and a Masters degree in zoology and a Doctorate of Philosophy in animal behavior from the University of California, Davis.

Dr. Gon has over twenty-five years of experience in research and conservation in the Hawaiian islands and has worked with private, state, and federal entities on a variety of conservation and land management projects. He is also a Hawaiian cultural practitioner and underwent the traditional Hawaiian 'uniki rites of passage to attain the status of kahuna kākālealeo.

Testimony in support of Mr. Edlao was submitted by the Department of Land and Natural Resources, Hawaii Pest Control Association, and one individual. Testimony in opposition to Mr. Edlao was submitted by the Conservation Council for Hawaii.

Testimony in support of Dr. Gon was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Conservation Council for Hawai'i, the Hawaii Conservation Alliance, the Hawaii Government Employees Association, KAHEA-The Hawaiian-Environmental Alliance, the Hawai'i Chapter of the Sierra Club, and thirty-two individuals.

Your Committee finds that the nominees' experience, coupled with a strong commitment to public service, make each an asset to the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3775 Water, Land, and Agriculture on Gov. Msg. No. 432

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 432 ANDREW K. ARCE, for a term to expire 6-30-2009

ANDREW K. ARCE has been a nursery manager with Hawaiian Research/Monsanto on the island of Molokai since 1999. He has also worked for the University of Hawaii College of Tropical Agriculture and Human Resources' Cooperative Extension Service and Maui Community College. Mr. Arce holds an Associate degree in Vegetable Crop Production, Landscape Maintenance, and C.A. Turf Grass Management. He is a member of the Molokai 4-H Livestock Committee, a member of the Molokai Farm Bureau, a member of the Hawaii State 4-H Livestock Committee Council, and president of the Molokai 4-H Livestock Council.

Testimony in support of the nominee was submitted by the Department of Agriculture, the Hawaii Crop Improvement Association, the Molokai Farm Bureau, Molokai Properties Limited, and two individuals.

Your Committee finds that the nominee's experience, coupled with a strong commitment to public service, make him an asset to the Molokai Irrigation System Water Users Advisory Board.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3776 Water, Land, and Agriculture on Gov. Msg. Nos. 474 and 475

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 474 NICHOLAS W. TEVES, JR., for a term to expire 6-30-2009; and

G.M. No. 475 REUBEN S.F. WONG, for a term to expire 6-30-2010

NICHOLAS W. TEVES, JR. is an electrical contractor who has operated his own company, Commercial Electric, Inc., for thirty-three years. He is the president of Pacific Electrical Contractors Association and a board member of the Sand Island Business Association. Mr. Teves has also served on the Contractors License Board, the Aloha Tower Commission, and the Board of Electricians and Plumbers.

REUBEN S.F. WONG is a practicing attorney with over forty years of experience. Mr. Wong has a Bachelor of Science degree in Engineering from the University of Hawaii and a Juris Doctorate degree from the University of Illinois. He is a member of the Hawaii Bar Association, the American Bar Association, the American Judicature Society, and the American Trial Lawyer's Association. He has served on the board of the Hawaii Chamber of Commerce, the board of the Chinese Chamber of Commerce, and on the Legislative Advisory Study Commission on Water Resources.

Testimony in support of Mr. Teves was submitted by the Plumbers and Fitters Union Local 675, the Sand Island Business Association, the Subcontractors Association of Hawaii, and three individuals. Testimony in opposition to Mr. Teves was submitted by Hawaii's Thousand Friends, 'Ahahui Malama I Ka Lokahi, and one individual. Comments were also submitted by the Hawaii Chapter of the Sierra Club.

Testimony in support of Mr. Wong was submitted by seven individuals. Testimony in opposition to Mr. Wong was submitted by the Conservation Council for Hawai'i, Hawaii's Thousand Friends, 'Ahahui Malama I Ka Lokahi, and one individual. Comments were also submitted by the Hawaii Chapter of the Sierra Club.

Your Committee diligently questioned the nominees regarding their experience and knowledge of matters involving the Land Use Commission. Your Committee finds that both nominees' experience and knowledge are adequate to serve on the Land Use Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3777 Transportation and Government Operations on S.R. No. 163

The purpose of this measure is to encourage the Department of Transportation, with cooperation from the Department of Land and Natural Resources, to assist in the state and national policies to reduce reliance upon fossil fuels and to promote the development of an ethanol industry in the State of Hawaii.

Your Committee received testimony in support of this measure from Oahu Ethanol Corporation.

Your Committee finds that a local ethanol industry can bolster the sugar industry, which is currently facing declining market prices. It could also stimulate the development of new crops, thereby providing new jobs and strengthening Hawaii's economy. This new industry will help to decrease Hawaii's heavy dependence on imported petroleum. The nature, size, and quantity of ethanol feed stocks, products, and by-products require maritime transport and utilization of state harbors for the berthing of ships for such products, and their loading, off-loading, storage, and distribution.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 163 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3778 Transportation and Government Operations on Gov. Msg. Nos. 441 and 442

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 441 LAURENCE I. BALTER, for a term to expire 6-30-2010; and

G.M. No. 442 PETE G. PASCUA, JR., for a term to expire 6-30-2010

Your Committee received testimony in support of LAURENCE I. BALTER from the Department of Transportation, Blue Hawaiian Helicopters, and Chai Chabad of Hawaii.

The nominee represents a Maui appointment. He is the Registered Principal and Branch Manager of Linsco Private Ledger, and is a licensed insurance broker in Hawaii. He received a Bachelor of Science degree in physics and mathematics, with a minor in economics and finance, from the University of California, San Diego, and a designation of Accredited Asset Management Specialist from the University of Colorado, Boulder.

Laurence I. Balter has an extensive background and interest in aviation and is a licensed pilot for Angel Flight which transports patients inter-island. He started a successful regional airline in Los Angeles and retired at age thirty. He relocated to Hawaii and has made a significant contribution to the people of Hawaii while establishing a name for himself.

Your Committee received testimony in support of PETE G. PASCUA, Jr., from the Department of Transportation, Institute of Transportation Engineers, and two individuals.

The nominee represents an Oahu appointment. Mr. Pascua received a Bachelor of Science degree in civil engineering from the University of Hawaii at Manoa. He has been the Director of the Traffic and Transportation Engineering Group for Wilson Okamoto Corporation since 1995. Prior thereto, he worked in traffic planning and engineering capacities for several engineering companies and the Pacific Naval Facilities Engineering Command. His professional work includes substantial experience in civil engineering studies, planning, and design functions, with a specialty in traffic and transportation engineering. He has managed the design of numerous traffic and transportation engineering projects.

Your Committee notes the personal statement of the nominee that he recognizes that transportation is a major issue in Hawaii and indirectly affects growth, business climate, tourism, citizens, and many other components and functions of the State. He states he has the ability to contribute his technical and personal experiences in dealing with transportation problems.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3779 (Majority) Water, Land, and Agriculture on Gov. Msg. Nos. 444 and 493

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 444 AMANDA S. CHANG-KWAK, for a term to expire 6-30-2010; and

G.M. No. 493 C. SCOTT BRADLEY, for a term to expire 6-30-2010

AMANDA S. CHANG-KWAK is an attorney that specializes in immigration law. Prior to Ms. Chang-Kwak's career in law, she was the president and principal broker of Amanda Chang Realty, Inc. and a real estate broker and supervisor at Prudential Locations, Inc. Ms. Chang-Kwak received a Bachelor of Arts degree in Japanese language & literature, a Masters of Education degree in educational foundations, and a Juris Doctorate degree from the University of Hawaii. She is very active in the community with organizations including the Christian Legal Society, the Syngman Ryee Society, the Liliha Korean Care Home, Advisory Council for Democratic and Peaceful Unification of Korea, and the Korean American Bar Association Hawaii.

C. SCOTT BRADLEY has been a realtor in Hawaii for twenty-two years. Currently, he is the managing director of Coldwell Banker Pacific Properties. Mr. Bradley received a Bachelor of Arts degree in Economics from Claremont McKenna College. He is the director of the National Association of Realtors and the Chair of the Hawaii Chapter of the Young Presidents Organization and is on the board of directors for the Hawaii Historic Foundation, the American Red Cross Hawaii, the Hawaii Business Round Table, and the Diamond Head Theatre. Mr. Bradley was nominated for the Hawaii Community Development Authority to represent the City and County of Honolulu and was recommended by the Honolulu City Council through its resolution number 06-052, FD1.

Testimony in support of Ms. Chang-Kwak was submitted by the Hawaii Community Development Authority, the Hawaii Korean Chamber of Commerce, and fifteen individuals. Testimony in opposition to Ms. Chang-Kwak's nomination was submitted by six individuals.

Testimony in support of Mr. Bradley was submitted by the Hawaii Community Development Authority, the Hawaii Association of Realtors, and three individuals. Testimony in opposition to Mr. Bradley's nomination was submitted by six individuals.

Your Committee diligently questioned the nominees regarding their experience and knowledge of the issues involving the Hawaii Community Development Authority. Your Committee finds that both nominees' experience and knowledge will adequately serve the Hawaii Community Development Authority.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Fukunaga). Excused, none.

SCRep. 3780 Transportation and Government Operations on Gov. Msg. Nos. 495 and 496

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 495 RON J. FLEET, for a term to expire 6-30-2010; and

G.M. No. 496 RICHARD E. VELAZQUEZ, for a term to expire 6-30-2010

Your Committee received testimony in support of RON J. FLEET from the Department of Transportation.

The nominee received an associate degree in electronic engineering from Miami-Dade Community College. He has been a real estate broker with Vision Realty since 1999. Your Committee notes his personal statement that although he uses the highways, he is an avid long distance cyclist, riding approximately 250 miles a week on the shoulders of the only highway on Kauai. He would like to be involved in the process of looking for ways to improve the safety of pedestrians and cyclists in addition to keeping the roads safe.

Your Committee received testimony in support of RICHARD E. VELAZQUEZ from the Department of Transportation, AAA Hawaii, Hilton Hawaiian Village Beach Resort & Spa, KITV Hawaii, Better Business Bureau, and one individual.

The nominee is the Regional Manager of AAA Hawaii. He has held various managerial positions for AAA since 1979. He received his education from Ventura College and the University of San Diego. He is a member of the Honolulu Chamber of Commerce, Aloha United Way, Hawaii Visitors and Convention Bureau, Charity Partner with Cancer Research of Hawaii, and various charitable local community groups.

Your Committee notes that the nominee has received various transportation safety awards, including one from the California Highway Patrol for his dedication to traffic safety. He has participated in traffic safety boards and community events including the City and County of Honolulu's Drive Akamai program. As Regional Manager of AAA Hawaii, he has ensured that schools receive assistance with traffic safety education using "Otto the Auto" and distributing educational brochures for various grade levels. He is responsible for AAA Hawaii's support for "Walk Wise Honolulu."

Your Committee notes from the nominee's personal statement that death and injuries caused by traffic crashes are a preventable public health issue that can be reduced through collaborative efforts of state and local governments, private industry, and community groups. Improved traffic engineering, law enforcement, and public education campaigns can combine to reduce crashes and save lives.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3781 Transportation and Government Operations on Gov. Msg. Nos. 506, 507 and 508

Recommending that the Senate advise and consent to the nominations of the following:

MEDICAL ADVISORY BOARD

G.M. No. 506 EUGENE A.H. MAGNIER, M.D., for a term to expire 6-30-2010;

G.M. No. 507 LEO MAHER, M.D., MHA, FAAN, for a term to expire 6-30-2006; and

G.M. No. 508 LEO MAHER M.D., MHA, FAAN, for a term to expire 6-30-2010

Your Committee received testimony in support of EUGENE A.H. MAGNIER, M.D., from the Department of Transportation.

The nominee represents the cardiovascular disease appointment. He received a B.A. in physics from Temple University and an M.D. degree from Temple University School of Medicine. He did a Cardiology Fellowship at Hahnemann Medical College. He is a Diplomate of the American Board of Internal Medicine and a Diplomate Subspecialty A.B.I.M. Cardiovascular Diseases. Dr. Magnier is licensed to practice medicine in Hawaii, and is in private practice. He is affiliated with numerous professional organizations and hospitals.

Your Committee received testimony in support of LEO MAHER, M.D., MHA, FAAN, from the Department of Transportation and one individual.

The nominee represents the neurologist appointment. He is being nominated for a term to expire on June 30, 2006, and a nomination to expire on June 30, 2010. He received a B.S. degree in biology from Wayne State University and an M.D. degree from Wayne State University School of Medicine. The nominee completed a residency in neurology and a Fellowship in Electrodiagnostic Medicine & Neuromuscular Diseases at the Department of Neurology, Wayne State University School of Medicine and affiliated medical hospitals. He is a member of the American Board of Psychiatry and Neurology and a Fellow of the American Academy of Neurology, as well as numerous professional medical associations.

Your Committee notes from the nominee's personal statement that he has practiced general neurology in Hawaii since 1969, and his subspecialty interests include multiple sclerosis, dementia, stroke, and deep brain stimulation. He is currently the co-chairman for the Noridian Carrier Advisory Committee (Medicare). Dr. Maher further states that a position on the Medical Advisory Board would allow him the opportunity to work on a broad range of issues associated with neurological diseases. These issues are complex and profound, and he can lend insight into these issues, particularly as to the explosive pace of progress in diagnosis and treatment of neurological diseases.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3782 Transportation and Government Operations on Gov. Msg. Nos. 512 and 513

Recommending that the Senate advise and consent to the nominations of the following:

PROCUREMENT POLICY BOARD

G.M. No. 512 LESLIE S. CHINEN, for a term to expire 6-30-2009.; and

G.M. No. 513 DARYLE ANN HO, RN, BSN, CWS, for a term to expire 6-30-2009

The nominee, LESLIE S. CHINEN, represents the health and human services appointment. She received a Bachelor of Business Administration in accounting from the University of Hawaii – Manoa. She has been a Vice President of the Queen's Development Corporation since 2000. Prior thereto, she held administrative positions with the Queen's Health Systems and Queen's Medical Center. The nominee is responsible for operations and management of Queen's Development Corporation Physicians Office Building and Garages, POB Retail Pharmacies, and contract services. She is responsible for the renovation and redevelopment of Queen's Physician Office Building III.

Your Committee received testimony in support of DARYLE ANN HO, RN, BSN, CWS, from Pacific Health Inc.; Aloha Tap & Die, Inc.; and two individuals.

The nominee represents the health and human services appointment. She received a Bachelor of Science Nursing degree from the Hawaii Pacific University, and holds a certificate as a Wound Care Specialist. She has been the President of Pacific Health, Inc. since 2003, where she is responsible for overall financial, contracts, and daily operations, including insurance billing, monthly and annual budgets, marketing and sales, contract procurement, vendor contracts, inventory control, and contract approvals. She analyzes and evaluates documentation relating to contract approvals and product purchases, and writes and submits bids in response to requests for proposals for state and federal purchasing contracts. The nominee also has experience in evaluating end users situations and concerns, developing user friendly programs, and complying with state and federal program requirements. Her previous experience was in managerial capacities with PharMerica, Aloha Nursing and Rehabilitation Center, and Dauterman Medical Company.

Your Committee notes from the personal statement of the nominee that her background in small business allows her to formulate innovative and concise ideas in regard to the relations between the State and health care industry. Her experience on health care procurement matters gives her the ability to use her knowledge to contribute to the functioning of the Procurement Policy Board.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3783 Labor on Gov. Msg. No. 406

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 406 SARAH REIKO HIRAKAMI, for a term to expire 6-30-2012

Upon review of background information submitted by the nominee, your Committee finds that SARAH REIKO HIRAKAMI is a graduate of James B. Castle High School and earned a Bachelor of Science degree in Engineering from the University of Hawaii at Manoa and a Juris Doctor from the William S. Richardson School of Law. Ms. Hirakami currently serves as a deputy legal counsel and compliance officer for the Board of Water Supply for the City and County of Honolulu. She has also served as a deputy attorney general for the State, an associate with Jossem & Toyofuku, a law clerk for the Honorable Corinne K.A. Watanabe, and as a nuclear engineer for the United States Navy.

Testimony in support of the nominee was submitted by the Director of Labor and Industrial Relations, the Attorney General, the Supervising Deputy Attorney General for the Employment Law Division, the Director of Personnel for the County of Hawaii, and fourteen individuals.

Your Committee diligently questioned the nominee regarding her ideas for improvements that can be made by the Hawaii Labor Relations Board. Your Committee believes that the nominee demonstrated a commitment to hard work and a dedication to improving the efficiency of the Board, including the timely rendering of decisions and making necessary updates to the administrative rules.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3784 Labor on Gov. Msg. No. 320

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 320 SANDRA YAHIRO, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that Sandra Yahiro is currently the Deputy Director of the Department of Taxation. Previously, she has served as the administrative service manager for the Department of the Attorney General, personnel program officer for the Department of Taxation, and personnel management specialist VI and V for the Department of Human Resources Development. Ms. Yahiro currently serves as a member of the Board of Trustees of the Deferred Compensation Plan and has extensive experience in the administration of deferred compensation and retirement plans.

Testimony in support of the nominee was submitted by the Director of Human Resources Development, the Director of Taxation, the Director of Budget and Finance, the Employee Relations Division Chief of the Department of Human Resources Development, and one individual.

Your Committee believes that the nominee is a qualified individual whose knowledge of deferred compensation and retirement plans, as well as her prior experience serving on the Board of Trustees for the Deferred Compensation Plan, make her a valuable asset to the Plan and its members.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3785 Higher Education on Gov. Msg. No. 443

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 443 MARLENE MARIE HAPAI, PH.D., for a term to expire 6-30-2007

Testimony in support of the nomination of MARLENE MARIE HAPAI to the Board of Regents of the University of Hawaii was submitted by twenty-four individuals, most of them affiliated with the University. Ms. Hapai holds a Ph.D. in Entomology and has taught biology and related courses at the University over a period of twenty-one years. She has also held a number of administrative posts, including Chair of the Natural Sciences Division at the University of Hawaii at Hilo; Associate Dean for Academic and Student Affairs at the College of Tropical Agriculture and Human Resources; Director of the Mauna Kea Astronomy Education Center; and most recently, Project Director for a U.S. Department of Education STARnet grant. She has received numerous grants, honors, and awards over the course of her career.

Ms. Hapai takes pride in creating and organizing successful programs, and in her thorough and intimate understanding of Hawaii's educational system. She is collaborative, astute, committed, and capable of detailed considerations while being visionary; someone who supports her team and takes responsibility for her decisions; a motivator who can instill a sense of pride in effort toward common goals; and a person whose exceptional contributions to education will serve as a model for members of the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3786 Higher Education on Gov. Msg. No. 477

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 477 JAMES E. HASTINGS, for a term to expire 6-30-2007

Testimony in support of the nomination of JAMES E. HASTINGS to represent the federal health care sector on the Council was submitted by the John A. Burns School of Medicine of the University of Hawaii. Dr. Hastings is currently Director of the Department of Veterans Affairs Pacific Island Health Care System. Previously, he served as a medical officer in the United States Army, was Commanding General of the Tripler Army Medical Center, and was Professor and Chairman of the Department of Medicine at the John A. Burns School of Medicine. His many years of experience in the military medical establishment give him intimate familiarity with the close partnership that is necessary between the public and private sectors and academic, federal, and private institutions engaged in training the healthcare work force.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3787 Higher Education on Gov. Msg. Nos. 480, 481, 482, 509 and 510

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 480 JUNE LEE, for a term to expire 06-30-2010;

G.M. No. 481 BESSIE J.T. LIMPE, for a term to expire 06-30-2010;

G.M. No. 482 MARY "NEVA" AGGRENEVA REGO, for a term to expire 06-30-2010;

G.M. No. 509 STACY STAN KAWAI HIGA, for a term to expire 6-30-2010; and

G.M. No. 510 BRYSEN CRAIG POULTON, for a term to expire 6-30-2010

Testimony in support of the nomination of JUNE LEE was submitted by six individuals. Ms. Lee is a semi-retired businesswoman who is devoted to working for charitable causes, such as helping war veterans and the disabled, and organizing health fairs with her husband, who is a doctor. She is a goal-oriented team player who is bright, energetic, caring, and well organized, as well as highly respected by the local Korean community. She will help to promote the involvement of older adults in service and volunteerism while serving on the Commission.

Testimony in support of the nomination of BESSIE J.T. LIMPE was submitted by one individual. Ms. Limpe worked as an office manager in a medical practice for sixteen years before beginning a second career in the state civil service. She has been involved with fundraising events and believes in volunteering and contributing to charitable organizations to help the needy. She will work to provide public safety services to communities and persons on the Commission.

Testimony in support of the nomination of MARY "NEVA" AGGRENEVA REGO was submitted by one individual. Ms. Rego is a voice teacher who serves on the boards of directors of Hawaii Opera Theatre and Sacred Hearts Academy. She will reflect the interests of community-based organizations on the Commission.

Testimony in support of the nomination of STACY STAN KAWAI HIGA was submitted by the University of Hawaii and the Vice Chair of the Commission. Mr. Higa is currently Chair of the Hawaii County Council, but previously had a twenty-year career in business. For the past five years he has served as Chair of the Commission, during which time he has successfully developed the role of the Commission and placed it on a path toward sustainability, while supporting and encouraging projects that serve Hawaii's communities. He has cultivated good relationships with federal agency personnel and learned federal rules and procedures, resulting in the expansion of high-quality national service programs, such as AmeriCorps, in Hawaii. Mr. Higa will represent business on the Commission.

Testimony in support of the nomination of BRYSEN CRAIG POULTON was submitted by seven individuals. Mr. Poulton, an education specialist with the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, is a creative thinker with aptitude for relating to all types of people, who has greatly expanded his Division's outreach to the public. He is community-oriented, respectful of Hawaiian kupuna, and "a servant of the people." He will represent community-based organizations on the Commission.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3788 Higher Education on Gov. Msg. Nos. 485, 486 and 487

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 485 DALE M. ALLISON, PhD, APRN, FAAN, for a term to expire 6-30-2010;

G.M. No. 486 JOAN ANNE CRAFT, for a term to expire 6-30-2008; and

G.M. No. 487 VICKY K. POLAND, for a term to expire 6-30-2007

Testimony in support of the nomination of DALE M. ALLISON was submitted by two individuals. Dr. Allison holds a Ph.D. from the University of Pennsylvania and is currently Professor and Graduate Program Chair in the School of Nursing at Hawaii Pacific University (HPU). She also directs the Ho'ola Like Outreach Project for family nurse practitioners and traditional Hawaiian healers at the Waikiki Health Center. She co-founded the Transcultural Nursing Center at HPU, and co-directs its Service Learning Program. Dr. Allison will fill the position of doctorally-prepared nurse educator on the Advisory Board.

No testimony in support of the nomination of JOAN ANNE CRAFT was submitted. Ms. Craft is a staff nurse at Queens Medical Center intensive care unit with a certification in critical care and neurological nursing, and is Vice President of the Hawaii Nurses Association. She will represent labor on the Advisory Board, where she will have an opportunity to work on a variety of factors to help mitigate the nursing shortage that Hawaii is experiencing.

No testimony in support of the nomination of VICKY K. POLAND was submitted. Ms. Poland is a critical care registered nurse in the coronary care unit at Kuakini Medical Center, and serves on the Hawaii Nurses Association board of directors. She will represent HNA on the Advisory Board, where she can help address the increasing challenge of the current nursing shortage in Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3789 Higher Education on Gov. Msg. Nos. 490 and 491

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 490 SHANLYN A.S. PARK, for a term to expire 6-30-2010; and

G.M. No. 491 DONN MASAO TAKAKI, for a term to expire 6-30-2010

Testimony in support of the nomination of SHANLYN A.S. PARK was submitted by three individuals. Ms. Park is an attorney who serves as Assistant Federal Public Defender in the Hawaii Federal Public Defender's Office. She has also been active as an Adjunct Professor and on the Board of Directors of the Alumni Association of the William S. Richardson School of Law, has coached the Rainbow Team in Special Olympics swimming, and has served on the advisory board for Sisters Offering Support.

No testimony was submitted in support of DONN MASAO TAKAKI. Mr. Takaki is president of HawkTree International, a Hawaii business magazine. He also currently serves as Chair of the Charter Commission for the City and County of Honolulu. With a background in business and government, he brings to the board an appreciation of the global competitive environment within which university research must operate.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3790 Media, Arts, Science and Technology on H.C.R. No. 320

The purpose of this measure is to request the Department of Land and Natural Resources to honor the first Monday in May as "Hawaii Historic Preservation Awareness Day" by holding events and activities that stimulate public interest in historic preservation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

The preservation of architecture, objects, and sites help to preserve the various cultures that coexist with each other in Hawaii for future generations and make the State unique. Historical preservation helps to promote the tourism industry, and is a vital educational resource on various cultures and ethnicity. The Department of Land and Natural Resources is charged with administering a comprehensive historic preservation program that includes developing and implementing interpretive programs for historic properties that are listed on or eligible for the Hawaii register of historic places.

Your Committee finds that designating the first Monday in May as "Hawaii Historic Preservation Awareness Day" will enable the Department of Land and Natural Resources to further its efforts in promoting public awareness and interest in historic preservation. Events and activities will educate the public, and encourage further efforts in historic preservation for future generations.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 320, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3791 (Joint) Media, Arts, Science and Technology, Business and Economic Development, Water, Land, and Agriculture and Higher Education on H.C.R. No. 218

The purpose of this measure is to request the High Technology Development Corporation, the University of Hawaii John A. Burns School of Medicine, the University of Hawaii Cancer Research Center of Hawaii, the Department of Education, the Department of Land and Natural Resources, the Hawaii Community Development Authority, Kamehameha Schools, and the Hawaii Science and Technology Council to collaborate and plan for a comprehensive medical and life sciences research and technology park in Kakaako.

Your Committees received testimony in support of this measure from the High Technology Development Corporation, the University of Hawaii System, the Department of Education, Kamehameha Schools, the Hawaii Science and Technology Council, and the Hawaii Community Development Authority.

The Hawaii Science and Technology Council has been instrumental in coordinating the efforts of a consortium consisting of various interested state agencies, schools, and organizations in creating a comprehensive medical and life sciences research and technology park in Hawaii. The land adjacent to the Mother Mary Waldron Park in the Kakaako District, which is owned by the State, is suitable for development and is envisioned as the area to develop the research and technology park.

Your Committees find that it is vital to encourage, support, and facilitate medical and life science research, technology, and education. Your Committees further find that there is a tremendous public value and benefit from the collaboration and cooperation of activities in a central area that will provide facilities and resources for education, training, research, and technology, where private companies will support the collective needs of the various schools, universities, and state agencies. A research and technology park will encourage further research and advances in the fields of medicine and life sciences, encourage scientists to conduct their research in Hawaii, and designate Hawaii as the premier research and technology center in the Pacific.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development and Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 218, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 4 (Baker, Chun Oakland, Menor, Hemmings).

SCRep. 3792 Labor on Gov. Msg. No. 310

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 310 ROLAND QUOK FONG THOM, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that ROLAND QUOK FONG THOM is a graduate of Punahou School who earned an Artium Baccalaureus degree in Economic from the University of California at Berkeley and a Juris Doctor from Fordham University School of Law in New York. He is the director of the law firm of Char, Hamilton, Campbell & Thom, where he has practiced for over the past twenty-five years. Mr. Thom previously practiced law and is a former partner in the law firm of Cades, Schutte, Fleming & Wright, served as a deputy corporation counsel for the City and County of Honolulu, and served as a Captain in the United States Army.

Testimony in support of the nominee was submitted by the Director of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Building Industry of Hawaii, the Chinese Chamber of Commerce of Hawaii, Ayabe, Chong, Nishimoto, Sia & Nakamura, and fourteen individuals, including former Board Chairs Nadao Yoshinaga, E. John McConnell, and Frank Yap, Jr.

Your Committee diligently questioned the nominee regarding his opinion of the state of the workers' compensation system and his ideas for the system's reform. Your Committee finds the nominee to be a highly qualified individual with valuable experience and believes his enthusiasm and willingness to serve will make him an asset to the Labor and Industrial Relations Appeals Board.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3793 Labor on Gov. Msg. No. 311

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 311 DAVID ALEXANDER PENDLETON, for a term to expire 6-30-2016

Upon review of background information submitted by the nominee, your Committee finds that David Alexander Pendleton holds a Bachelor of Arts degree in History and Political Science from La Sierra University in Riverside, California, a Master of Arts degree in Church History and Religion from Loma Linda University in Loma Linda, California, and a Juris Doctor from the University of Southern California Law Center in Los Angeles, California. He currently serves as senior policy analyst for Governor Linda Lingle. Mr. Pendleton's prior work experience includes but is not limited to serving as a legislator in the Hawaii State House of Representatives, in-house counsel for the Seventh-day Adventist Church Headquarters in Hawaii, a pastor for the Hawaii Conference of Seventh-day Adventists Church, a teacher, a youth pastor, and an associate with private firms within the State.

Testimony in support of the nominee was submitted by one U.S. Senator, one U.S. Congressman, six members of the House of Representatives, the Mayor of the City and County of Honolulu, one Honolulu Councilmember, the Director of Labor and Industrial Relations, the ILWU Local 142, the Laborers' International Union of North America Local 368, AFL-CIO, the Hawaii Carpenters Union, the Office of Hawaiian Affairs, the Oahu Filipino Community Council, the Building Industry of Hawaii, the Chamber of Commerce of Hawaii, and one hundred and eleven individuals.

Your Committee diligently questioned the nominee regarding his views on the workers' compensation system, including its effectiveness. Although expressing a desire to see improvements made, the nominee demonstrated a positive outlook on the current system and expressed a commitment to ensuring that an injured worker's right to treatment and timely return to work and an employer's rights and financial interests are protected. Your Committee recognizes the widespread support from a diverse group of individuals and organizations received on behalf of the nominee and appreciate the nominee's willingness to serve and his expressed intent to reduce the Board's current backlog of cases.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3794 Tourism on Gov. Msg. Nos. 358, 359, 408, 409 and 411

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 358 MICHAEL K. KOBAYASHI, for a term to expire 6-30-2010;

G.M. No. 359 JOHN J. TONER, for a term to expire 6-30-2010;

G.M. No. 408 KELVIN M. BLOOM, For a term to expire 6-30-2010;

G.M. No. 409 PATRICIA A. EWING, For a term to expire 6-30-2010; and

G.M. No. 411 CHALENE "CHA" MAE KU'UPUAAALA THOMPSON, For a term to expire 6-30-2010

To ensure that nominees to the Board of Directors of the Hawaii Tourism Authority are sincere and dedicated to the purpose and goals of the Hawaii Tourism Authority, your Committee has consistently asked all nominees to submit to the Committee a written vision statement. The purpose of the vision statement is for nominees to take the time to reflect upon and determine if they are willing to provide the time and effort that is required for the position. Furthermore, the vision statement is a tool for the Committee to assess the nominee's dedication and determination, which are indicative of whether the nominee would be an asset to the Board of Directors of the Hawaii Tourism Authority. Those nominees who furnished a vision statement to your Committee are reported herein.

Your Committee received testimony in support of MICHAEL K. KOBAYASHI from the Department of Business, Economic Development, and Tourism; Charley's Taxi; Hankyu Express USA Inc.; Kauai Island Tours; Kintetsu International Hawaii Company; Nippon Travel Agency Hawaii Inc.; Tropical Ocean Sports Hawaii Inc.; Maui Divers of Hawaii; MC&A Inc.; Aloha VIP Tours Inc.; Japan Hawaii Travel Association; Germaine's Luau; JALPAK International; Starwood Hotels and Resorts; TTA Inc.; Outrigger Hotels & Resorts; Hawaii Transportation Association; Hilton Hawaiian Village; Kobayashi Travel; and Griffing Swan & Lai Inc.

The nominee received a BBA degree in Travel Industry Management from the University of Hawaii. The nominee has been employed since 1999 as the President of Kobayashi Travel Service. The nominee is a member of many trade and professional organizations, including the Japan Hawaii Travel Association, Skal Club of Hawaii and the Japan-America Society.

Your Committee notes from the vision statement of the nominee that he will focus on issues that affect tourism such as long term availability of our natural resources, community support for the industry, and the safety and security of our visitors and residents.

Your Committee received testimony in support of JOHN J. TONER from the Hawaii Tourism Authority; the Department of Business and Economic Development, and Tourism; Hawaii Hotel & Lodging Association; Hawaiian Hotels and Resorts; Preferred Hotel Group; Kapalua Resort; Pleasant Holidays; Princeville Resort; Doctors on Call; and two individuals.

The nominee is a reappointment, representing the public (at large/Oahu) from a list submitted by the President of the Senate. The nominee has been employed since 2004 as the Executive Vice-President of the Resort Group, responsible for resort operations for Ko Olina and part of the due diligence team in the purchase of the Princeville Resort. Previously, the nominee was the General Manager for the Ritz-Carlton in Kapalua, Rancho Mirage, and St. Louis. The nominee is a member of many trade and professional organizations, including the Ronald McDonald House Charities, Sea of Dreams Foundation, Chaine des Rotisseurs, Bailli of the Maui Chapter, Ka Lima O Maui Board of Directors, Mercedes Championship/ Kapalua Maui Charities Board of Directors, Pleasant Hawaiian Holidays Board of Directors and the Pacific Cancer Center Board of Directors.

Your Committee notes from the new vision statement of the nominee that he is honored to serve as a member of the Hawaii Tourism Authority Board and hopes to focus his next term on expanding the Boards efforts in contributing to the local community.

Your Committee received testimony in support of KELVIN M. BLOOM from the Department of Business, Economic Development, and Tourism; Hilo Hattie; Marathon Group; TransPacific Mortgage Group; Hawaii Hotel & Lodging Association; Waikiki Improvement Association; Pacific Rim Bank; Hospitality Advisors LLC.; Tiki's Bar & Grill; O'Neill Group; and four individuals.

The nominee is currently the Regional Vice-President of ResortQuest International Inc. and the founding President of Castle Resorts & Hotels. The nominee is a member of many trade and professional organizations, including Pacific Rim Bank, Hotel Operators Roundtable, Manoa Valley Theater, Hawaii Hotel & Lodging Association, Waikiki Improvement Association, and Aloha United Way.

Your Committee notes from the vision statement of the nominee that the nominee wants to bring together the visitor industry and business communities to form partnerships that will create a sustainable business model that will deliver benefits and introduce practices that are respectful and meaningful to the community and culture that will preserve, cultivate and celebrate the special nature and distinction of Hawaii.

Your Committee received testimony in support of PATRICIA A. EWING from the Department of Business, Economic Development, and Tourism; State Representative from the 14th District; Kilauea Agronomics; Kauai Aloha Foundation; Heli USA Airways; Island Soap & Candle Works; Ching Young Village; Banana Patch Studio; Kilauea Real Estate Company; Lighthouse Bistro; and three individuals.

The nominee received a BA degree from the University of California at San Jose and the University of California at Long Beach. The nominee has been employed since 1992 as the owner and buyer for Kung Lung Company. The nominee is a member of many trade and professional organizations, including Kauai North Shore Business Council President, Member of Mayor Joanne Yukimura's Tourism Committee, Panelist Solutions 2000 Business Forum Pacific Business News, Panelist Association of Independent Shopping Center Owners, Hawaii International Film Festival/Kauai Chairperson and Board Member of the Kalihiwai Ridge Community Association.

Your Committee notes from the vision statement of the nominee that an economic enterprise like tourism does not in and of itself bring virtues and values such as stewardship, charity, thrift, harmony and concern for others. The nominee sees that these are the qualities responsible stakeholders must add and cultivate if the economic activity is to deliver benefits afforded to each stakeholder.

Your Committee received testimony in support of CHALENE "CHA" MAE KU'UPUAALA THOMPSON from the Department of Business, Economic Development, and Tourism; Hawaii Hotel and Lodging Association; Cove Entertainment Inc. and Starwood Hotels and Resorts.

The nominee has been employed since 1971 as the owner and Executive Vice-President of Tihati Productions a Polynesian Entertainment Company. The nominee is a member of many trade and professional organizations, including Chair of the Honolulu Police Commission, Past Vice-President of the Institute of Human Services, and Past President of the Native Hawaiian Hospitality Association.

Your Committee notes from the vision statement of the nominee that the nominee wants to add a local perspective to the board and states that the motive for the nominee to serve on the board was to find ways to make residents, Hawaiians in particular, feel a part of Waikiki again. Perhaps reminding them of places like Kawehewehe (the healing waters, just off the Halekulani) where Hawaiians of old would come to find peace within, to name a few pleasant things that would be enjoyable and reminiscent of actual practices.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Tsutsui).

SCRep. 3795 Commerce, Consumer Protection and Housing on Gov. Msg. No. 421

Recommending that the Senate advise and consent to the nomination of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 421 GERALD YAMADA, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of GERALD YAMADA from the Building Industry Association-Hawaii; the Hawaii Chapter of the Associated Builders and Contractors, Inc.; the Hawaii Island Contractors' Association; and Isemoto Contracting Co. Ltd.

Mr. Yamada has over twenty years of experience in the contracting industry. He entered the industry as a Hawaii contractor in 1984 with the founding of Yamada Paint Contracting Inc. In 1987, he began work as a general contractor under GW Construction. In this time, Mr. Yamada has served as President of the Hawaii Island Contractors Association and been honored as the U.S. Small Business Administration's 2004 Small Business Person of the Year for the County of Hawaii. He is also actively involved with his community through the Boys and Girls Club of the Big Island, the Hawaii Japanese Center, and the Japanese Chamber of Commerce.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3796 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 422 and 423

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 422 JASON WADE KAMEZAWA, for a term to expire 6-30-2009; and

G.M. No. 423 NOLAN Y. KIDO, for a term to expire 06-30-2010

Your Committee received no testimony in support for the nominations of JASON WADE KAMEZAWA or NOLAN Y. KIDO.

Dr. Kamezawa is a licensed dentist who has maintained a private practice on Oahu for the past ten years. In addition to his professional practice, Dr. Kamezawa is involved in the community through fundraising committees for various organizations including Hawaii Special Olympics, Make-A-Wish Foundation, and Shriners Hospital for Children.

A nominee for one of the two public member seats on the Board of Dental Examiners, Mr. Kido is an Accounting Professor at Chaminade University. He is active in the community through volunteer work with many organizations including the Hawaii Speech League, the University of Hawaii Business Plan Competition, and the Cherry Blossom Festival.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3797 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 424 and 425

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 424 MORRIS H. KANESHIRO, for a term to expire 6-30-2010; and

G.M. No. 425 LINDSEY JOHN KIMURA, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of MORRIS H. KANESHIRO from two individuals. Your Committee received no testimony in support of the nomination of LINDSEY JOHN KIMURA.

Mr. Kaneshiro has extensive experience in the electrical trade industry with over thirty years dedicated to Commercial Electric, Inc. He has served as Commercial Electric's Superintendent and Safety Officer for the past nineteen years. Mr. Kaneshiro is currently licensed as an electrician.

As a nominee to one of three public member seats on the Board, Dr. Kimura is not connected with either the electrical trade or plumbing trade industries. Dr. Kimura has been a practicing chiropractor for the past twenty-three years, and has previous agency experience with his service on the Board of Chiropractic Examiners.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3798 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 426 and 427

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 426 KENNETH M. HOVANIAN, for a term to expire 6-30-2010; and

G.M. No. 427 JUDITH A. JORDAN, for a term to expire 6-30-2010

Your Committee received testimony in support of the nomination of KENNETH M. HOVANIAN from three individuals. Your Committee also received testimony in support of the nomination of JUDITH A. JORDAN from six individuals.

Mr. Hovanian has been licensed as an elevator mechanic in this State since 2003. He is a member of the International Union of Elevator Constructors and has founded two financially successful businesses, Island Steel Erectors LLC and Elevated LLC.

As a nominee for one of the two public member seats on the Elevator Mechanics Licensing Board, Mrs. Jordan expressed a sincere desire and willingness to serve on the Board. In addition to raising her family of three children, Mrs. Jordan has been a responsible member of the community as an active volunteer in her church, her children's schools, and in youth athletics.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3799 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 433, 434, 435 and 436

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 433 ANNETTE R. AIONA, ABR, for a term to expire 6-30-2010;

G.M. No. 434 WILLIAM STANLEY CHEE, for a term to expire 6-30-2009;

G.M. No. 435 FRANCES ALLISON TORRE GENDRANO, for a term to expire 6-30-2010; and

G.M. No. 436 MARK SUIISO, for a term to expire 6-30-2010,

Your Committee received testimony in support of all the nominations as follows:

- (1) Five individuals submitted testimony in support of ANNETTE R. AIONA, ABR;
- (2) The Hawaii Association of Realtors submitted testimony in support of WILLIAM STANLEY CHEE;
- (3) Three individuals submitted testimony in support of the nomination of FRANCES ALLISON TORRE GENDRANO; and
- (4) One senator and two individuals submitted testimony in support of the nomination of MARK SUIISO.

Ms. Aiona has eighteen years of experience in the real estate industry on the island of Hawaii. Currently, she is the licensed broker and owner of Aiona Island Realty LLC. She is also an active leader in the industry as a director of the Hawaii Island Board of Realtors and a member of its Member Professional Standards Committee.

Mr. Chee has over thirty-five years of experience in the real estate industry in this State. Since 1969, he has served as Chief Executive Officer of Prudential Locations Inc. and RESCO, Inc. He also has national leadership experience as 1993 President of the National Association of Realtors.

Ms. Gendrano is at the beginning of her career in the real estate industry as a Realtor-Associate with KFG Properties Inc., a full-service real estate company begun by her parents over thirty years ago. Ms. Gendrano also has experience as a financial consultant with AXA Advisors, LLC, as a program coordinator of the Muscular Dystrophy Association in Massachusetts, and as a community volunteer in various community organizations. These organizations include the YWCA of Oahu and Hawaiian Island Ministries.

A nominee to one of the public member seats on the Commission, Mr. Suiso is an active member and champion of the Waianae Coast community. In addition to his work as an investment specialist and planner with First Hawaiian Bank, Mr. Suiso is a leader of various community organizations including Nani O Waianae, Makaha Ahupua'a, the Waianae Neighborhood Board, and Ho'omau Ke Ola.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3800 Commerce, Consumer Protection and Housing on Gov. Msg. No. 437

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 437 CHRISTINE S. JACKSON, for a term to expire 6-30-2007

Your Committee received testimony in support of the nomination of CHRISTINE S. JACKSON from five individuals.

Ms. Jackson has been involved in the field of early childhood care and education for nearly thirty years, with twenty-five years experience with the Honolulu Community Action Program/Oahu Head Start in various capacities. She currently serves as the Health and Disabilities Manager for the Honolulu Community Action Program/Oahu Head Start.

Ms. Jackson has also been actively involved in her community on various non-profit boards and advisory groups. These boards and groups include the Good Beginnings Alliance, the Sequenced Transition to Education in the Public Schools (STEPS), and the Waianae Coast Comprehensive Health Center.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3801 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 456, 457 and 458

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 456 NORMAN G.Y. HONG, for a term to expire 6-30-2010;

G.M. No. 457 CAROL H. IGARASHI, for a term to expire 6-30-2010; and

G.M. No. 458 HOWARD K.C. LAU, for a term to expire 6-30-2010

Your Committee received no testimony in support of the nomination of NORMAN G.Y. HONG. Your Committee received testimony in support of the nomination of CAROL H. IGARASHI from two individuals. Your Committee also received testimony in support of the nomination of HOWARD K.C. LAU from four individuals.

Mr. Hong has nearly thirty years of experience as an architect practicing in Hawaii. He began his career as an intern with Group 70 International Inc., becoming a partner in 1977, and its President in 1984. Today, Mr. Hong serves as Vice-Chairman of Group 70, one of Hawaii's largest architectural, planning, and interior design firms. Mr. Hong is also active in community organizations which

include the City and County of Honolulu's Commission on Culture and the Arts, the University of Hawaii Federal Credit Union Financial Services Board, the Kaimuki Waialae YMCA, and Kaimuki Christian Church.

As a nominee to one of the three public member seats on the Board, Ms. Igarashi has experience in private industry, primarily in administrative work and human resources. Currently, she serves as administrator to the current Chief Executive Officer of Hawaiian Electric Company. She is also active as a volunteer in various community projects.

Mr. Lau has thirty-two years of experience as a structural engineer with the firm of Shigemura, Lau, Sakanishi, Higuchi and Associates, where he started out as a junior engineer in 1977. Since 1998, he has served as the firm's President and Chief Executive Officer. Mr. Lau is also actively involved in the community and has previous experience serving on the Hawaii Hurricane Relief Fund Advisory Board, the Hurricane Advisory Committee, and the Hurricane Shelter Standards Advisory Committee to the Hawaii State Civil Defense.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3802 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 478 and 479

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 478 BEN KAMARUDIN AZMAN, M.D., for a term to expire 6-30-2010; and

G.M. No. 479 DANNY MORITO TAKANISHI, JR., for a term to expire 6-30-2010

Your Committee received no testimony in support of the nomination of BEN KAMARUDIN AZMAN, M.D. Your Committee received testimony in support of the nomination of DANNY MORITO TAKANISHI, JR. from two individuals.

Dr. Azman has practiced medicine on Maui for the last thirty-five years, and has served previously on the Board of Medical Examiners from 1982-1984. Dr. Azman has also been active in his community as a member of the Exchange Club of Lahaina, the Lahaina Rotary Club, and the Republican Party. Currently, Dr. Azman maintains a private medical practice on Maui.

Dr. Takanishi has practiced medicine for over eighteen years. Currently, Dr. Takanishi works as the Interim Director of Trauma and Director of Surgical Clinical Research at The Queen's Medical Center. He is also involved in medical education as Associate Professor and Chairman of Surgery at the John A. Burns School of Medicine, as well as the Program Director for its Surgical Residency Program. Recently, Dr. Takanishi was appointed to the Residency Review Committee for Transitional Year Programs by the national Board of Directors of the Accreditation Council for Graduate Medical Education.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3803 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 483 and 484

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 483 MICHELE M. IKEDA, for a term to expire 6-30-2007; and

G.M. No. 484 DAVID R. KERN, for a term to expire 6-30-2010

Your Committee received no testimony in support of the nominations of MICHELE M. IKEDA or DAVID R. KERN.

As a nominee to one of two public member seats to the Board of Examiners in Naturopathy, Ms. Ikeda has over thirty-five years of administrative experience in the public and private sectors. This experience includes five years of administrative support at the University of Hawaii John A. Burns School of Medicine. Currently, Ms. Ikeda works as an administrative assistant at Townscape, Inc.

Dr. Kern is a licensed naturopathic physician in this State with over twenty-five years of clinical experience. Currently, Dr. Kern is actively engaged in private practice as the founder of Grace Health Clinic, Inc. and Grace Health Center on Maui. He is also involved in advancing the profession as a Steering Committee member of Maui Memorial Medical Center's Complementary and Alternative

Medicine Division and as a member of the Department of Commerce and Consumer Affairs' Naturopathic Advisory Committee. Upon appointment to the Board of Examiners in Naturopathy, Dr. Kern will resign from the Naturopathic Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3804 Commerce, Consumer Protection and Housing on Gov. Msg. No. 488

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION (PUC)

G.M. No. 488 JOHN EDWARD COLE, for a term to expire 6-30-2012

Your Committee received testimony in support of the nomination of JOHN EDWARD COLE from the Department of Business, Economic Development, and Tourism and from thirty-five individuals.

Mr. Cole has extensive experience in government and law. Over the past twenty years, he has worked in some capacity with the law as a law clerk, private attorney, legislative aide, policy analyst, and legislative aide to various government officials. Most recently, Mr. Cole has served as the Executive Director of the Division of Consumer Advocacy within the Department of Commerce and Consumer Affairs.

In this position as the State's Consumer Advocate, he has led a staff of accountants, engineers, economists, attorneys, other specialists, and support personnel to protect and advance the interests of Hawaii consumers of regulated utilities. According to the testimony of the Department of Business, Economic Development, and Tourism, "Mr. Cole's leadership and experience in the regulatory area in handling cases before the Public Utilities Commission as Consumer Advocate, as well as in the overall energy area with his assignment in the Governor's Policy Office, have clearly demonstrated his objective and analytic intellect, and that he is a judicious and independent decision-maker."

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3805 Commerce, Consumer Protection and Housing on Gov. Msg. No. 505

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 505 RHONDA C. SCOTT, for a term to expire 6-30-2010

Your Committee received no testimony in support of RHONDA C. SCOTT's nomination.

Ms. Scott is a licensed massage therapist and has extensive experience in business. She has served as the manager of the Westin Kauai Lagoons Spa, the marketing director of The Plantation Spa, and the program development coordinator of Queen's Medical Center. Currently, Ms. Scott is the owner of The Massage Table Store. Over fifteen years, this business has grown to three locations and offers a variety of services including a free quarterly newsletter that is distributed to over 3,000 recipients in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3806 (Majority) Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 514, 515 and 516

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PUBLIC HOUSING ADMINISTRATION (PHA)

G.M. No. 514 CAROL R. IGNACIO, for a term to expire 6-30-2009;

G.M. No. 515 LINDA L. SMITH, for a term to expire 6-30-2010; and

G.M. No. 516 MATTIE A. YOSHIOKA, for a term to expire 6-30-2010

Testimony in support of the nomination of CAROL R. IGNACIO was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Human Services, the Mayor and Office of Housing and Community Development of the County of Hawaii, the Affordable Housing and Homeless Alliance, the Hawaii Family Forum, the Hawaii Catholic Conference, and Community Alliance Partners. Ms. Ignacio has a distinguished career in providing housing and homeless support services. She is currently Director of Social Ministry for the Catholic Diocese of Honolulu. She was instrumental in founding the first homeless shelter in Hawaii County and has been active in the development of the West Hawaii Homeless Task Force, Hawaii Island Food Bank, and the Big Island Care-A-Van Program. Her long-standing commitment to social programs is legendary, as is her work ethic.

Testimony in support of the nomination of LINDA L. SMITH was submitted by a member of the House of Representatives, the Housing and Community Development Corporation of Hawaii (HCDCH), the Department of Human Services, the Hawaii Business League, and seven individuals. Ms. Smith has extensive experience in government and fiscal management as well as in the operation of her own business. Currently the Governor's Senior Policy Advisor and a member of the HCDCH Board, she formerly served as Director of Finance for the City and County of Honolulu and as Director of Administration for the federal Office of Management and Budget. She and the other members of the HCDCH Board have worked hard to lift the Corporation out of its "troubled agency" status and smooth the transition into two separate housing agencies in the next fiscal year. Your Committee notes that concerns were raised about the qualifications and fitness of this nominee to serve on the PHA Board.

Testimony in support of the nomination of MATTIE A. YOSHIOKA was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Human Services, two members of the Kauai County Council, the Kauai County Office of Economic Development, the Hawaii Island Economic Development Board, the Economic Development Alliance of Hawaii, and five individuals. Ms. Yoshioka is currently President and Chief Executive Officer of the Kauai Economic Development Board, and has substantial previous administrative experience in the community assistance and housing programs of the County. Her years of experience in government and her commitment to community service will make her an invaluable resource on the PHA Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Record of votes for Linda L. Smith
Ayes, 4. Noes, 1 (Sakamoto). Excused, 1 (Espero).

Signed by the Chair on behalf of the Committee.
Record of Votes for all other nominees:
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3807 Commerce, Consumer Protection and Housing on Gov. Msg. No. 525

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 525 LIONEL Y. TOKIOKA, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of LIONEL Y. TOKIOKA from one individual.

Mr. Tokioka has a long history of personal involvement in business as the President and CEO of International Savings and Loan. He is also well-recognized and respected throughout the community as a leader in various organizations including the Japanese Cultural Center of Hawaii, the University of Hawaii Alumni Association, and the Public Schools of Hawaii Foundation.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3808 Business and Economic Development on Gov. Msg. No. 420

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 420 JASON T. OKUHAMA, for a term to expire 6-30-2009

JASON T. OKUHAMA is currently a managing partner at Hawaii Lending Specialists, LLC. Mr. Okuhama received his Diploma in Foundations of Banking from the American Institute of Banking and attended the University of Hawaii at Manoa with an emphasis on Business Administration. Before joining Hawaii Lending Specialists, he was a Vice President and Business Loan Officer for Bank of America, and has an extensive background in the loan and banking industry from various banks in Hawaii. Mr. Okuhama currently serves as Board President of the Hawaii Alliance for Community-Based Economic Development (HACBED), is member of the Sierra Club, and has formerly served on numerous boards, organizations and clubs serving the community.

Your Committee received testimony in support of Mr. Okuhama's nomination to the Board of Directors of the Aloha Tower Development Corporation from the Department of Business, Economic Development, and Tourism, Hawaii Alliance for Community-Based Economic Development, and seventeen individuals.

Your Committee finds that Mr. Okuhama possesses twenty-five years of banking, and commercial and business lending experience. His expertise and knowledge will be an asset to the Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 3809 Business and Economic Development on Gov. Msg. Nos. 438, 439 and 440

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

G.M. No. 438 KATHRYN WHANG INOUYE, For a term to expire 6-30-2010;

G.M. No. 439 KENNETH B. MARCUS, ESQ., For a term to expire 6-30-2010; and

G.M. No. 440 ALAN S. TAMAYOSE, For a term to expire 6-30-2010

KATHRYN WHANG INOUYE is currently a real estate developer for the Kobayashi Group, LLC and its affiliates. Ms. Inouye received her Bachelor's degree in education from, and has started coursework toward a Master in Education at, the University of Hawaii at Manoa. Her professional affiliations include serving as the current Director of the Urban Land Institute, a member of the Hawaii Developers Council, the former Director of the Land Use Research Foundation, and a former member of the Building Industry Association. Ms. Inouye is a Child and Family Director, formerly served on the Board of Land and Natural Resources, and was involved with the Kristi Yamaguchi's Always Dream Foundation.

Your Committee received testimony in support of Ms. Inouye's nomination to the Stadium Authority from eighteen individuals.

Your Committee finds that with both her professional experiences and her experiences on public and private boards, Ms. Inouye will be a great asset to the Stadium Authority.

KENNETH B. MARCUS, ESQ. is a director of the Honolulu law firm Starn O'Toole Marcus & Fisher. Mr. Marcus earned a Bachelor of Science degree in economics from the Wharton School of Finance and Commerce at the University of Pennsylvania and his Doctor of Jurisprudence from the New York University School of Law. He specializes his practice of law in the development, sale, and financing of commercial real estate projects, partnership and joint venture financing, ground leases for commercial development, office and retail space leases, and hotel management contracts. Mr. Marcus currently serves on the Board of Trustees of the Honolulu Waldorf School and is a past President of the Honolulu Community Jewish Preschool and the Temple Emanu-el in Honolulu.

Your Committee received testimony in support of Mr. Marcus' nomination to the Stadium Authority from seventeen individuals.

Your Committee finds that with his desire to get involved in the community and his ability to work with others, Mr. Marcus will be able to take on the challenges of being a member of the Stadium Authority.

ALAN S. TAMAYOSE is the president and owner of Aegis Hawaii, Inc., which is a payroll processing company that offers full payroll services to clients in Hawaii. Mr. Tamayose earned his Bachelor's degree in Business Administration from the University of Hawaii at Manoa and his Master's degree in Business Administration from California State University at Long Beach. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Hawaii Society of Certified Public Accountants. Mr. Tamayose is a former Trustee on the Kuakini Medical Center's Board of Trustees and former President of the Salt Lake Community Association.

Your Committee received testimony in support of Mr. Tamayose's nomination to the Stadium Authority from one individual.

Your Committee finds that Mr. Tamayose's background, education, and experience give him the tools to be a resourceful and contributing member of the Stadium Authority.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 3810 Business and Economic Development on Gov. Msg. Nos. 518 and 519

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 518 RICHARD SCHNITZLER, for a term to expire 6-30-2010; and

G.M. No. 519 RICHARD SCHNITZLER, for a term to expire 6-30-2006

RICHARD SCHNITZLER is the president of Hamakua Macadamia Nut Company and has extensive background and experience in the macadamia nut industry in Hawaii. He is the Vice President of the Hawaii Macadamia Nut Association, the Vice President of the Puueo Farm Association, and a Director for the Papaikou Farm Association. Mr. Schnitzler is also a past President for the Hamakua Jaycees.

Your Committee received testimony in support of Mr. Schnitzler's nomination to serve on the Small Business Regulatory Review Board for a term to expire June 30, 2006, and then a second term to expire June 30, 2010 from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; Menehune Mac Hawaiian Candies and Nuts, Ltd.; ML Macadamia Orchards, L.P.; Big Island Candies; Agro Resources, Inc.; and one individual.

Your Committee finds that Mr. Schnitzler's years of experience and expertise in the macadamia nut industry will be a great addition to the Small Business Regulatory Review Board, and will provide the Board with a strong presence in the agricultural industry and from the Island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 3811 Human Services on Gov. Msg. No. 336

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 336 LINDA ANN WATSON, for a term to expire 6-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Statewide Council on Independent Living.

Your Committee received testimony in support of LINDA ANN WATSON from the Department of Human Services and two individuals. Ms. Watson is a state licensed mental health counselor and a nationally certified rehabilitation counselor. She earned a bachelor and a masters degree from Brigham Young University in Provo, Utah, as well as a masters degree from the University of Hawaii. Ms. Watson has served on the Statewide Council on Independent Living since May 2005. She is a valuable resource to the Council because of her training in mental health and rehabilitation counseling and her personal experiences with independent living issues.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3812 Human Services on Gov. Msg. Nos. 351, 352 and 353

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 351 GENE R. DESCALZI, for a term to expire 6-30-2009;

G.M. No. 352 DEBRA T. FARMER, for a term to expire 6-30-2009; and

G.M. No. 353 NANCY G. KINGHORN, for a term to expire 6-30-2009

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the State Rehabilitation Council.

Your Committee received testimony in support of GENE R. DESCALZI from the Department of Human Services and two individuals. Having received vocational rehabilitation due to a medical condition, Mr. Descalzi brings firsthand knowledge of the importance of vocational rehabilitation to the Council. He has served on the State Rehabilitation Council since July 2003.

Your Committee received testimony in support of DEBRA T. FARMER from the Department of Human Services. Ms. Farmer is administrator of the Special Education Section in the Department of Education, which is responsible for the public education of children with disabilities. She has served on the Council since November 2004. Ms. Farmer provides a perspective on the collaboration between the state vocational rehabilitation and special education programs to better serve Hawaii's students with disabilities.

Your Committee received testimony in support of NANCY G. KINGHORN from Department of Human Services and three individuals. Ms. Kinghorn has served on the State Rehabilitation Council since July 2003. Her personal experience of vision loss as an adult gives Ms. Kinghorn a unique perspective on the impact vocational rehabilitation has on the lives of people with 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, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 3813 Health on Gov. Msg. No. 388

Recommending that the Senate advise and consent to the nomination of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 388 MALCOLM "MARK" M. GIBLIN, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of MALCOLM "MARK" M. GIBLIN from the Disability and Communication Access Board.

Mr. Giblin is a dedicated advocate and strong supporter of disability rights and services in the community. As a wheelchair user for the past two years, Mr. Giblin has experience as an advocate before the United States Access Board's Advisory Committee, particularly in the area of designs for boating facilities. He has also served as an American with Disabilities Act consultant to various counties in California.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3814 Health on Gov. Msg. Nos. 389 and 390

Recommending that the Senate advise and consent to the nominations of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 389 LINDA D. CHIU MD, for a term to expire 6-30-2010; and

G.M. No. 390 ANGEL BUNUAN RAMOS, for a term to expire 6-30-2009

Your Committee received testimony in support of the nomination of LINDA D. CHIU, MD, from the Department of Health and the Hawaii Medical Association. Your Committee received no testimony in support of the nomination of ANGEL BUNUAN RAMOS.

Dr. Chiu has nine years of experience in private practice focusing on otolaryngology with subspecialties in facial plastic and reconstructive surgery and pediatric otolaryngology. In addition to her practice, Dr. Chiu is actively involved in the community with organizations such as Aloha Medical Mission, the Honolulu County Medical Society, Windward Federal Credit Union, and the Castle Medical Center Credentials Committee.

Mr. Ramos has over thirty-four years of health care experience in private and public sectors. He has managed health care facilities ranging from a 154-bed nursing facility to an 18-bed care home. He has been involved in pharmacy issues for the past five years while

employed as a food and drug inspector. Mr. Ramos is also active in the community through organizations such as the Filipino Organization of Kailua-Kona, the Lions Club, and the Rotary Club.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3815 Media, Arts, Science and Technology on Gov. Msg. Nos. 447, 448, 449 and 450

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

- G.M. No. 447 MARY BEGIER, for a term to expire 6-30-2010;
- G.M. No. 448 PETER LARRY ROSEGG, for a term to expire 6-30-2006;
- G.M. No. 449 PETER LARRY ROSEGG, for a term to expire 6-30-2010; and
- G.M. No. 450 LORI VOGEL THOMAS, for a term to expire 6-30-2010

MARY BEGIER is the principal broker, owner, and realtor of Mary Begier Realty in Hilo. She is active in attending courses and programs to maintain her real estate license and to keep up with the latest real estate trends and matters of community importance. Ms. Begier is a member of the Honolulu Board of Realtors, the Hawaii Association of Realtors, and the National Association of Realtors. She is a member of the Junior League of Honolulu, the Rotary Club of Hilo Bay, the Rural South Hilo Community Association, and the Hawaii Island Chamber of Commerce.

Your Committee received testimony in support of Ms. Begier's nomination to the State Foundation on Culture and the Arts Commission to represent the County of Hawaii from the Office of the Chancellor at the University of Hawaii at Hilo, the Honolulu Board of Realtors, the Hawaii Association of Realtors, and three individuals.

Your Committee finds Ms. Begier's career and volunteer experiences have provided her with the abilities of strategic planning, accountability, and various styles of compromise that are necessary to accomplish goals. Her abilities will be an asset to the State Foundation on Culture and the Arts Commission.

PETER LARRY ROSEGG is a Senior Communications Consultant at the Hawaiian Electric Company. He received his Bachelor of Arts degree from Columbia University and his Master of Arts in Asian Studies and Master in Business Administration from the University of Hawaii at Manoa. Before working at the Hawaiian Electric Company, Mr. Rosegg was an independent freelance public relations consultant and practitioner at PR.PR Peter Rosegg Public Relations and Vice President at Starr Seigle Communications. He also spent several years at the Honolulu Advertiser where he was a general assignment reporter and eventually the Capitol Bureau Chief for the paper, and has taught several courses at the University of Hawaii at Manoa and Hawaii Pacific University. Mr. Rosegg's community involvement includes serving on the Board of Directors of the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii International Film Festival, and the Hawaii Alliance for Arts Education, among other numerous organizations and clubs.

Your Committee received testimony in support of Mr. Rosegg's nomination to the State Foundation on Culture and the Arts Commission for a term ending June 30, 2006 and a second term ending June 30, 2010 from the Economic Development Alliance of Hawaii, the Domestic Violence Clearinghouse Legal Hotline, the Hawaii Arts Alliance, PBS Hawaii, and twenty individuals.

Your Committee finds that Mr. Rosegg has demonstrated cooperative leadership, communication skills, and marketing expertise that will be an asset for the State Foundation on Culture and the Arts Commission.

LORI VOGEL THOMAS is a volunteer fundraiser who is licensed to practice law in Indiana, Texas, Ohio, Pennsylvania, and New Jersey. She received her Bachelor in Science from Indiana Central University and her Doctorate of Jurisprudence from Indiana University School of Law. Ms. Thomas is a member of various state bar associations and the American Bar Association, and has been involved in the community through her service with Child and Family Service, the Hawaii Opera Theatre, the Honolulu Academy of Arts, and the Manoa Valley Theatre Board.

Your Committee received testimony in support of Ms. Thomas' nomination to the State Foundation on Culture and the Arts Commission from Child and Family Service, the Hawaii Opera Theatre, and two individuals.

Your Committee finds that Ms. Thomas' legal background and her experience as a volunteer fundraiser will be an asset for the State Foundation on Culture and the Arts Commission.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3816 Media, Arts, Science and Technology on Gov. Msg. Nos. 471 and 472

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 471 ADRIAN K. KAMALI'I, for a term to expire 6-30-2010; and

G.M. No. 472 NORMAN M.U. NAKAMOTO, for a term to expire 6-30-2010

Your Committee received testimony in support of ADRIAN K. KAMALI'I from Kamehameha Schools and eight individuals.

The nominee represents the Kamehameha Schools Alumni Association appointment. He is a political science major at Hawai'i Pacific University and is concurrently enrolled in the Program for Graduate Studies (MA) in Integrated Communications. He is also a United Nations Research Fellow. In the 2003 and 2004 legislative sessions, the nominee worked for Representative Sol P. Kaho'ohalahala. The nominee is presently the President and Chief Consultant and the founding partner of Pae'Āina Communications, LLC, and has been a research analyst since 2001 for Hui' Ai Pōhaku/CKM Cultural Resources, L.L.C. He was also the President and Chief Executive Officer of Hui Ho'oulu, Inc., and an educational/cultural specialist for Bishop Museum. The nominee holds responsible positions in numerous community and cultural organizations.

Your Committee notes the testimony of the Chief Executive Officer of Kamehameha Schools that Mr. Kamali'i has knowledge of and devotion to perpetuating Hawaiian ancestral history, language, and culture, and that he is an ideal candidate.

Your Committee received testimony in support of NORMAN M.U. NAKAMOTO from the Office of Hawaiian Affairs, Enoka Enterprises, and five individuals.

The nominee represents the Royal Order of Kamehameha I appointment. He is a graduate of St. Louis High School, Carmelite Brothers Novitiate, and Carmelite Seminary. He is retired from the Agency Relations Office at Catholic Charities. The nominee's community involvement includes President of the Royal Order of Kamehameha, Chapter I; Hawaiian Civic Club; St. Joseph Church; Hale O Nā Ali'i; and Director of the Hawaii Foundation on Chinese Cultural Arts.

Your Committee notes the testimony of the Office of Hawaiian Affairs that the nominee is founder and President of Ka Ohana Makekau; past president of the Ko'olauloa Hawaiian Civic Club; member of the Pearl Harbor Hawaiian Civic Club; Hale o Nā Ali'i, and the Royal Order of Kamehameha I of which he is the Kaka'olelo of the Hawai'i Chapter and the Mamo Ali'i Nui of the Ali'i Chapter. Mr. Nakamoto has demonstrated his interest and aloha for the Kamehameha Day parade and has entered floats in the parade several times and served as master of ceremonies for the King Kamehameha Day Hula Competition for several years.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3817 Media, Arts, Science and Technology on Gov. Msg. Nos. 465, 466, 467 and 497

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 465 KENNETH HAYS, for a term to expire 6-30-2008;

G.M. No. 466 VIRGINIA DIANE MURISON, for a term to expire 6-30-2010;

G.M. No. 467 JOHN A. PETERSON, for a term to expire 6-30-2010; and

G.M. No. 497 WILLIAM DONALD SOUZA, for a term to expire 6-30-2010

KENNETH HAYS is an Architectural Historian and Manager of Historic Military Architecture with the Directorate of Public Works for the United States Army Garrison-Hawaii. He received his Bachelor of Science degree from the University of Alabama at Birmingham and his Master of Arts in Preservation Studies from Boston University. In 2005, Mr. Hays was a private consultant at Washington Place where he developed and compiled an extensive architectural conservation plan for the historic residence. The study included an in-depth analysis of the evolutions of the residence, the finish history, conservation recommendations for all hard elements, and the preparation for a landmark application.

Your Committee received testimony in support of Mr. Hays' nomination to the Hawaii Historic Places Review Board from the Department of Land and Natural Resources.

Your Committee finds that due to his extensive background in historic preservation and knowledge in historic property conservation, Mr. Hays will be an asset to the Hawaii Historic Places Review Board.

VIRGINIA DIANE MURISON is a registered architect and owner of Virginia D. Murison, AIA in Honolulu. She received both her Bachelor of Arts degree in Architecture and Minor in Urban Law, and her Masters in Architecture from Washington University in St. Louis, Missouri. She is a member of the American Institute of Architects and has served as a juror for AIA Honolulu's Honor Awards program and the University of Hawaii School of Architecture. Ms. Murison was the Historic Preservation Architect and Architect of Record for the historic rehabilitation of the Moana Hotel in Waikiki. Recent projects include serving as a preservation consultant on the Design and Build Team for the rehabilitation of a 1930s National Register building on Ford Island at Pearl Harbor, working on a preservation plan for the streetscape of the historic district at Hickam Air Force Base, and working on the restoration of a Mediterranean revival residence in Diamond Head. Ms. Murison is a charter member and past Trustee of the Historic Hawaii Foundation, a member of the National Trust for Historic Preservation, and a member of several historical societies and libraries on the mainland.

Your Committee received testimony in support of Ms. Murison's nomination to serve for a second term on the Hawaii Historic Places Review Board from the Department of Land and Natural Resources.

Your Committee finds that Ms. Murison has been awarded for her work in historic preservation from the Historic Hawaii Foundation, the City and County of Honolulu, and the President of the United States Advisory Council. Her expertise and extensive experience in historic preservation and architecture will be an asset to the Hawaii Historic Places Review Board.

JOHN A. PETERSON is the Pacific Regional Manager for Garcia and Associates, which is a natural and cultural resource consulting firm with a branch in Hawaii. He received his Bachelor of Arts in Environmental Studies from Antioch College and his Master in Arts and Doctorate in Anthropology from the University of Texas at Austin. Dr. Peterson formerly served as a Senior Archaeologist at the International Archaeological Research Institute, Inc. and has taught courses at the University of Texas at El Paso, the University of San Carlos in Cebu, Philippines, and the University of Hawaii at Manoa. He is a former member of the State of Texas Historical Commission, the Historical Landmark Commissions in Socorro and El Paso, Texas, and a charter member of the Cebu Heritage and Conservation Council in Cebu, Philippines.

Your Committee received testimony in support of Dr. Peterson's nomination to the Hawaii Historic Places Review Board from the Department of Land and Natural Resources and one individual.

Your Committee finds that Dr. Peterson's educational background, extensive research, and experience serving on various other historical landmark commissions will be an asset to the Hawaii Historic Places Review Board, and will serve effectively as an expert in the field of archaeology.

WILLIAM DONALD SOUZA currently works at the Office of the Chancellor at Leeward Community College where he is responsible for educational outreach and legislative activities pertaining to Leeward Community College, and is assigned to represent native Hawaiian Programs for the Chancellor. He received his Bachelor of Arts degree from Chaminade University, and has served as an instructor and project coordinator at Leeward Community College on projects regarding Native Hawaiian ancestry, community-based education, and federal grants. Mr. Souza served as the Executive Assistant to the Chairperson of the Father Damien of Molokai Beatification Commission in 1994-1996. His term as Commissioner on the King Kamehameha Day Celebration Commission expires on June 30, 2006. He is also a member of the Board of Directors of Alu Like, Inc., Hawaii Technology Institute, Friends of Iolani Palace Board, and serves as the High Chief Protocol Officer of the Royal Order of Kamehameha I.

Your Committee received testimony in support of Mr. Souza's nomination to the Hawaii Historic Places Review Board from the Department of Land and Natural Resources.

Your Committee finds that due to his extensive expertise and background of Native Hawaiian history and affairs, Mr. Souza will serve well on the Hawaii Historic Places Review Board in preserving Hawaiian cultural and historic sites.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 3818 Health on Gov. Msg. Nos. 451, 452 and 453

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 451 ELEANOR JEAN LLOYD, for a term to expire 6-30-2010;

G.M. No. 452 HERBERT C. SHARP, for a term to expire 6-30-2010; and

G.M. No. 453 MICHAEL BARRY SUMJA, for a term to expire 6-30-2010

Your Committee received no testimony as to the nomination of ELEANOR JEAN LLOYD.

Ms. Lloyd graduated from Handover College in 1960 with a bachelor's degree in human resources. In 1962, Ms. Lloyd received a degree in social work. Ms. Lloyd also attended the University of Hawaii for Gerontology Studies.

Ms. Lloyd has been active in working on providing the following services to seniors: transportation, housing, senior centers, information, referral, wellness programs, case management, federal nutrition services, respite, adult/Alzheimer's daycare, kupuna care programs, and caregiver support programs.

Your Committee finds that with her desire to become involved in the community and her ability to work with others, Ms. Lloyd will be able to take on the challenges of being a member of the Policy Advisory Board for Elder Affairs.

Your Committee received personal testimony from HERBERT C. SHARP.

Mr. Sharp served in the United States Navy for thirty-three years. He also served as the vice president of Edward D. Sultan Jewelry Company for twenty years. In 1993, Mr. Sharp received his bachelor of arts degree in European history from the University of Hawaii. Since 1993, Mr. Sharp has been a docent for the Waikiki Aquarium, Honolulu Maritime Center, Iolani Palace, the Honolulu Academy of Arts and the State Capitol; a bailiff with the family court; the Director of the Elderhostel Program; and an employee with the Office of Information Practices.

Your Committee finds that with both his professional and community-based experiences, Mr. Sharp will be a great asset to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of MICHAEL BARRY SUMJA from the Executive Office on Aging and twenty-two individuals.

Mr. Sumja graduated in 1962 from Jackson State University with a bachelor of science degree in business administration. From 1969 to 1990, Mr. Sumja was the owner and CEO of Lee, Jackson and Bowe Corporation. Thereafter, Mr. Sumja worked as a Senior Park Aide and Training Supervisor for the Department of Parks and Recreation for the State of California. Also during that period, Mr. Sumja was the resident manager and groundskeeper for Glendevn Inn. From 2000 to 2004, Mr. Sumja was a property manager in Kohala. He is currently a Community Facilitator for Hawaii County Research and Development.

Your Committee finds that Mr. Sumja's background, education, and community involvement give him the tools to be a resourceful and contributing member of the Policy Advisory Board for Elder Affairs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3819 Health on Gov. Msg. No. 463

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAI'I COUNTY SUBAREA

G.M. No. 463 GAIL M. WALKER, for a term to expire 6-30-2008

Your Committee received testimony in support of GAIL M. WALKER from the State Health Planning and Development Agency, the President of the International Longshore & Warehouse Union, a Kaiser Permanente Clinic Manager for the Neighbor Islands, and a Kaiser Permanente Senior Planning Analyst. Ms. Walker is a registered nurse and Kaiser Permanente Clinic Manager for the Hilo Clinic. She is a graduate of the Kaiser Foundation School of Nursing. Ms. Walker has over twenty years of health care experience, including as Executive Director of the Hamakua Health Center, Director of Nursing at Kapi'olani Medical Center for Women and Children, Nursing Supervisor at Human Hospital, and as a staff nurse. She was involved with the development of the Hamakua Health Center Project and is a recipient of the Robert Wood Johnson Community Leadership Award and the Weinburg Foundation Aim for Excellent Award. Ms. Walker has served her community in other ways as well, including her work with the East Hawaii Coalition for Homeless and the Hawaii Island Adult Day Care. Her experience and dedication to her community make her well qualified for membership on the Health Planning Council, Hawai'i County Subarea.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3820 Health on Gov. Msg. Nos. 454, 455 and 494

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 454 MARCIANO D. AQUINO, for a term to expire 6-30-2010;

G.M. No. 455 RYAN ANDREW MCKNIGHT, for a term to expire 6-30-2010; and

G.M. No. 494 SHAUNA V. TUOHY, for a term to expire 6-30-2009

MARCIANO D. AQUINO is the owner and president of Hawaii Billing Services, Inc. He has owned and operated his company since 1995. Mr. Aquino also worked for St. Francis Medical Center for twenty-one years and has a Bachelor of Science degree in Business Administration.

RYAN ANDREW MCKNIGHT is a medical intensive care technician with American Medical Response on the island of Kauai. He has thirteen years of 911-ambulance experience and is also an assistant instructor at the Kauai branch of Kapiolani Community College Emergency Medical Services division. Mr. McKnight completed the emergency medical technician program at Kauai Community College and the mobile intensive care technician program at Kapiolani Community College. He is also a volunteer at many community blood pressure screenings, participates in career days at local schools, and provides first aid services at annual farm fairs.

SHAUNA V. TUOHY is the regional director of the American Heart Association and has worked with the association for a total of nine years. She has also worked at Mt. View Elementary School and the Volcano Art Center. Ms. Tuohy is a member of the Rotary Club of Hilo Bay and has served on the Puna Mauka Recycling Committee.

Testimony in support of Mr. Aquino was submitted by the Department of Health.

Testimony in support of Mr. McKnight was submitted by the Department of Health and two individuals.

Testimony in support of Ms. Tuohy was submitted by the Department of Health.

Your Committee finds that the nominees' extensive experience, coupled with their commitment to public service, make them assets to the Emergency Medical Services 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, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3821 Health on Gov. Msg. No. 476

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 476 ALAN SERIKAWA, for a term to expire 6-30-2010

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Medical Advisory Board.

Your Committee received testimony in support of ALAN SERIKAWA from the Department of Transportation. Dr. Serikawa has practiced optometry for over fifteen years. He is a graduate of Moanalua High School, the University of Hawaii, and the Southern California College of Optometry. His experience will be an asset to the Medical Advisory Board regarding vision standards for drivers of motor vehicles.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 3822 Human Services on Gov. Msg. Nos. 459, 460, 461 and 462

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 459 BARRETT KEOKI AWAI, for a term to expire 6-30-2007;

G.M. No. 460 MICHAEL R. DIAS, for a term to expire 6-30-2007;

G.M. No. 461 MYRNA B. MURDOCH, for a term to expire 6-30-2007; and

G.M. No. 462 SYLVIA H. L. YUEN, Ph.D., for a term to expire 6-30-2007

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Commission on Fatherhood.

Your Committee received testimony in support of BARRETT KEOKI AWAI, from a Senior Pastor of Kawaiaha'o Church and one individual. Mr. Awai is a Youth and Young Adult Director at Kawaiaha'o Church. He earned an A.A. from Arizona Western College and a B.A. in Science from Brigham Young University. Mr. Awai and his wife, Tara, have three children and are currently expecting a fourth child. According to the testimony, Mr. Awai is a caring, kind, and loving person in his capacity as a father, husband, and mentor. He will be a great asset to the Commission on Fatherhood.

Your Committee received testimony in support of MICHAEL R. DIAS from the Department of Human Services and Hawai'i Coalition for Dads. Mr. Dias is an employment specialist at Alu Like, Inc. He is also an instructor at the Nā Pua No'eau – Ho'omālamalama Program at the University of Hawai'i at Hilo where he instructs K-5 Native Hawaiian children in effort to promote and identify student talents in a uniquely Hawaiian context. He received his B.A. in English and Social Science with a Hawaiian Studies Minor from the University of Hawai'i at Hilo. Mr. Dias' past experience includes working as a father involvement specialist for the Ho'okahua Early Childhood Department at Alu Like, Inc. He is a nurturing, involved father and strong advocate for fathers, children, and families. He is a former co-chair of the Hawai'i Coalition for Dads. Mr. Dias' experience makes him an ideal candidate for a voting member of the Commission on Fatherhood.

Your Committee received testimony in support of MYRNA B. MURDOCH from the Department of Human Services, Hawai'i Coalition for Dads, the Public Policy Center at the University of Hawai'i at Mānoa, and two individuals. Ms. Murdoch earned a B.A. with Honors from the University of Victoria in Victoria, Canada, and an M.A. in European Languages from the University of British Columbia in Vancouver, Canada. She is currently pursuing an M.A. in English as a Second Language at Hawaii Pacific University. Ms. Murdoch is a mother and an active member of the volunteer community. Her service includes as a board member for Honolulu Theater for Youth, Junior League, and St. Francis School for Girls. She founded the Children's Rights Council of Hawaii and is a member of the national board of Children's Rights Council. Ms. Murdoch's community service and experience make her well qualified for the Commission on Fatherhood.

Your Committee received testimony in support of SYLVIA H. L. YUEN, Ph.D., from the Department of Human Services and one individual. Dr. Yuen earned a B.S. in Home Economics Education from the University of Hawaii, a M.S. in Child Development from the University of Illinois, and a Ph.D. in Psychology from the University of Hawaii. She also has a certificate from the Management Development Program at Harvard University. She is presently on the boards of the Institute for Human Services and the Hawaii Community Action Program. Dr. Yuen is the director of the Center on the Family at the University of Hawaii, and has service as a faculty member, the Director of Equal Employment Opportunity, Associate Dean for Academic Affairs, and Interim Dean for the College of Tropical Agriculture and Human Resources. She has received several excellence in teaching awards, national awards for the Data Center on Children and Family, and recognition for a video on Celebrating Family. Dr. Yuen will be a valuable asset to the Commission on Fatherhood.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 3823 Higher Education on Gov. Msg. No. 361

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 361 JAMES J.C. HAYNES, II, for a term to expire 6-30-2010

Testimony in support of the nomination of JAMES J.C. HAYNES, II was submitted by the Office of Hawaiian Affairs and ten individuals. One individual testified in opposition to the nomination.

James J.C. Haynes, II is Chief Executive Officer of Maui Petroleum, Inc., Hawaii Petroleum, Inc., and Mini Stop. He has served on the University of Hawaii Board of Regents since September 2003. In addition to his long career as a businessman, Mr. Haynes has served as a trustee of Seabury Hall since 1980, and has contributed materially to that school's recent fund-raising effort.

Your Committee nevertheless finds that there are larger concerns regarding the extent to which this and other Regents are performing their fiduciary responsibility to the University. Your Committee did not learn of any significant improvements made to the University by the Board during this Regent's tenure. Your Committee finds that there are many pressing issues that the Regents need to address, including but not limited to sharing the wealth with native Hawaiians generated from the use of ceded lands on Mauna Kea by the University and affiliated observatories, and directing sufficient funds toward the University's programs for training nurses and teachers to meet the evident shortages in these professions. Your Committee believes that the nominee is aware of the Committee's concerns.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found that the nominee should be considered for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 3824 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 498, 499, 500 and 502

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HOUSING FINANCE AND DEVELOPMENT ADMINISTRATION (HHFDA)

- G.M. No. 498 CHARLES G. KING, for a term to expire 6-30-2010;
G.M. No. 499 BETTY LOU LARSON, for a term to expire 6-30-2009;
G.M. No. 500 DAVID LAWRENCE, for a term to expire 6-30-2008; and
G.M. No. 502 CHARLES A. STED, for a term to expire 6-30-2010

Testimony in support of the nomination of CHARLES G. KING was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Business, Economic Development and Tourism, the Hawaii Community Foundation, and the Pacific Housing Assistance Corporation. Mr. King has a business background and is president of King Auto Center on Kauai, King Windward Nissan, and King Infiniti of Honolulu, and extensive involvement with community and volunteer activities. His commitment to improving the quality of life for low-income families and youth on Kauai is demonstrated by his participation in numerous boards as well as the Food Bank program. He currently serves on the Board of Directors of the Housing and Community Development Corporation of Hawaii. Mr. King will be the Kauai representative on the HHFDA.

Testimony in support of the nomination of BETTY LOU LARSON was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Business, Economic Development and Tourism, the Department of Community Services of the City and County of Honolulu, the Affordable Housing and Homeless Alliance, the Hawaii Family Forum, the Hawaii Catholic Conference, and Catholic Charities Hawaii. Ms. Larson has dedicated most of her professional life to affordable housing and homeless issues. She is currently the Housing Assistance Program Coordinator for Catholic Charities Elderly Services, as well as President of the Affordable Housing and Homeless Alliance, as was formerly Chair of the Rental Housing Trust Fund Advisory Commission. Her wealth of experience gives her an informed perspective which she will bring to her service on the HHFDA Board.

Testimony in support of the nomination of DAVID LAWRENCE was submitted by the Housing and Community Development Corporation of Hawaii. Mr. Lawrence is a mortgage broker for Wells Fargo Home Mortgage of Hawaii on Maui, in which capacity he originates residential and commercial real estate loans. He established the Hawaii Community Loan Fund in 2000 as a means to leverage federal, local, and foundation funds for affordable housing in Hawaii. Previously he was involved with community development finance initiatives to expand access to capital for small businesses in Hawaii. Mr. Lawrence will be the Maui representative on the HHFDA.

Testimony in support of CHARLES A. STED was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH), the Department of Business, Economic Development and Tourism, and the Pacific Housing Assistance Corporation. Mr. Sted, as President and Chief Executive Officer of Hawaii Pacific Health, has background and experience in financial management and tax exempt finance and compliance. His skills, personal attributes, and expertise demonstrated while serving as Chair of the HCDCH Board have been a positive influence on staff and those who appeared before the Board, and promise to provide a similar beneficial effect on the operations and management of the new HHFDA. Mr. Sted will be the Oahu representative on the HHFDA. Your Committee notes that concerns were raised about the qualifications and fitness of this nominee to serve on the HHFDA Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Record of votes for Charles A. Sted
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

Signed by the Chair on behalf of the Committee.
Record of Votes for all other nominees:
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 3825 (Majority) Labor on Gov. Msg. No. 405

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 405 PAUL K.W. AU, for a term to expire 6-30-2012

Upon review of background information submitted by the nominee, your Committee finds that PAUL K.W. AU earned his Juris Doctor degree from Georgetown University Law Center and currently serves as a deputy corporation counsel for the City and County of Honolulu. He has also run his own law practice, served as in-house counsel for First Insurance Company of Hawaii, Ltd., previously served as a deputy corporation counsel for the City and County of Honolulu, and practiced as an associate with the law firm of Bendet, Fidell, Sakai & Lee.

Testimony in support of the nominee was submitted by the Director of Labor and Industrial Relations, the Attorney General of Hawaii, and twenty-one individuals. Testimony in opposition to the nominee was submitted by the Hawaii Government Employees Association, the Hawaii State Teachers Association, the United Public Workers, AFSCME, Local 646, AFL-CIO, the University of Hawaii Professional Assembly, and two individuals.

Your Committee finds that section 89-5, Hawaii Revised Statutes, clearly delineates the composition and requirements for the composition of the Hawaii Labor Relations Board. Section 89-5, HRS, provides that of the three members of the Board, one shall be a representative of management, one shall be a representative of labor, and the third member, the chairperson, shall be a representative of the public. Your Committee further finds that historically, the chairperson has been a neutral member without significant ties to either labor or management in order to maintain a balance within the Board and to ensure fair and equitable proceedings. Your Committee received testimony from many parties and questioned the nominee and testifiers regarding the nominee's qualifications to serve as the chairperson and neutral representative of the public. Your Committee determines that, although the nominee has demonstrated that he is an individual with ample knowledge and experience to serve on the Board, due to the nominee's extensive past experience as a representative of management, the nominee is not appropriately qualified under the law to serve as the chairperson of the Board.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to not be qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 3826 (Majority) Water, Land, and Agriculture on Gov. Msg. No. 428

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 428 FRANK DE LUZ, III, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that FRANK DE LUZ, III is a full time rancher, the owner and operator of rental units, and manages land holdings. He also managed a slaughterhouse for twenty years and has served on the Hawaii County Council and chaired the Finance Committee, the Planning Committee, and the Research and Development Committee.

Testimony in support of the nominee was submitted by the Department of Land and Natural Resources; the Hawaii Island Portuguese Chamber of Commerce; the International Longshore and Warehouse Union Local 142; Suisan Properties, Limited; and twenty individuals. Testimony in opposition to the nominee was submitted by the Conservation Council for Hawaii, KAHEA – The Hawaiian-Environmental Alliance, the Sierra Club-Hawaii Chapter, and three individuals.

Your Committee diligently questioned the nominee regarding his understanding and knowledge of general topics pertaining to the State's land and natural resource issues, as well as conflicts of interest issues applicable to the nominee. Your Committee finds that the nominee did not have an understanding of land use and natural resource issues and inadequately failed to identify potential conflicts of interests that may arise while serving on the board.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be not qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hemmings). Excused, 1 (Fukunaga).

SCRep. 3827 Water, Land, and Agriculture on Gov. Msg. No. 473

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 473 ALMA A. CABERTO, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that ALMA A. CABERTO is the president and owner of Community Mortgage Services LLC. She has worked at numerous banking institutions for thirty-one years.

Testimony in support of the nominee was submitted by the Philippine National Bank – Honolulu Agency and nine individuals. Testimony in opposition to the nominee was submitted by Hawaii’s Thousand Friends, `Ahahui Malama I Ka Lokahi, and one individual. Comments were also submitted by the Sierra Club.

Your Committee diligently questioned the nominee regarding her understanding and knowledge of general topics pertaining to the Land Use Commission and its functions. Your Committee finds that the nominee did not have an understanding of general land use topics or knowledge of the Land Use Commission’s functions. Further, the nominee failed to identify the commission properly in her application, where she referenced the “Commission for Dept. of Land and Utilization” rather than the Land Use Commission, as well as misidentifying the commission throughout the hearing. Your Committee finds that the Land Use Commission is an extremely important component of land use in the State and requires commissioners who are familiar with its functions and informed on the issues.

Your Committee notes that the Governor’s administration was notified through Ms. Laura Thielen, director of the Office of Planning, that Ms. Caberto’s nomination would fail if brought to a committee vote. At that time, Ms. Caberto chose to withdraw her name, and your Committee deferred further action on this nomination on April 26, 2006. To date, Ms. Caberto’s nomination has not been withdrawn by the Governor, and as a result, your Committee was forced to vote on this nominee.

Your Committee emphasizes that Ms. Caberto is knowledgeable in her area of expertise and well accomplished in banking and lending. However, as stated, the Land Use Commission is very important to our State, and the Commissioners deal with many difficult and often complex issues. Thus, it is imperative that our commissioners have the necessary experience and expertise to make informed and thoughtful decisions not only for our futures but for generations to come.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be not qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).