

STAND. COM. REP. NO.

676

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 77
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 77 entitled:

"A BILL FOR AN ACT RELATING TO AN OFFICE OF ADMINISTRATIVE HEARINGS,"

begs leave to report as follows:

The purpose of this measure is to establish the Office of Administrative Hearings, an independent agency in the executive branch, to conduct contested case hearings for executive branch agencies. The executive agencies currently perform the functions of policy-making, investigations, prosecutions, and adjudication which creates the perception that the agency has an unfair advantage over the opposing litigant. That perception compromises the integrity of the process and the result. This measure separates the adjudication function from the executive branch agencies' investigative and prosecutorial functions and removes the appearance of bias.

The Hawaii Civil Rights Commission, Department of Land and Natural Resources, Department of Labor and Industrial Relations, and one individual testified in opposition to this measure. The Department of the Attorney General, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, and Department of Human Services provided comments.

HB77 HD1 HSCR JUD HMS 2017-1652



Your Committee has amended this measure by deleting the provisions to establish the Office of Administrative Hearings and inserting instructions to the Legislative Reference Bureau to undertake a study of the existing administrative hearings system and the feasibility and cost impacts of implementing an Office of Administrative Hearings. The Legislative Reference Bureau shall report its findings, recommendations, and proposed legislation prior to the convening of the 2018 Regular Session. The effective date was also changed to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 77, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 77, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



SCOTT Y. NISHIMOTO, Chair



