

**SESSION LAWS**  
OF  
**HAWAII**  
PASSED BY THE  
**FOURTH STATE LEGISLATURE**

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**REGULAR SESSION**  
**1968**

Convened on Wednesday, February 21

and

Adjourned Sine Die on Friday, March 29

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Published by Authority of the  
Revisor of Statutes  
Honolulu, Hawaii

## A U T H O R I T Y

**Section 4, Act 191, Session Laws of Hawaii 1959, provides as follows:**

**Publishing of session laws.** As soon as possible after the close of each session of the legislature, the revisor shall prepare for publication all laws duly enacted at such session, arranged, first the bills and then joint resolutions, in the order of their becoming law, together with a suitable index and tables showing what general statutes have been affected by such session laws.

## **P R E F A C E**

This volume contains all the laws passed by the Legislature at the Regular Session of 1968.

In preparing this volume, the text of the original laws and proposals has been followed, with the exception of palpable typographical errors.

**HIDEHIKO UYENOYAMA**  
Revisor of Statutes

Honolulu, Hawaii  
July 1, 1968

STATE OF HAWAII  
ELECTED OFFICIALS AND LEGISLATIVE OFFICERS

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UNITED STATES CONGRESS

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Daniel K. Inouye

House of Representatives:  
Spark M. Matsunaga  
Patsy T. Mink

STATE EXECUTIVE OFFICERS

Governor of Hawaii.....John A. Burns  
Lieutenant Governor.....Thomas P. Gill

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FOURTH STATE LEGISLATURE  
REGULAR SESSION

1968

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Vice President.....Sakae Takahashi  
Clerk.....Seichi Hirai

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John T. Ushijima (D)

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Percy K. Mirikitani (R)  
Hebden Porteus (R)  
Wadsworth Y. H. Yee (R)

Seventh District—(Oahu)  
Webley Edwards (R)  
Walter M. Heen (D)  
Frederick W. Rohlfing (R)  
Vincent H. Yano (D)

Eighth District—(Kauai)  
William E. Fernandes (D)

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## HOUSE OF REPRESENTATIVES

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**Clerk**.....Shigeto Kanemoto

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R—Republicans .....	Manuel S. Henriques (D)
	Tony T. Kunimura (D)
	George H. Toyofuku (D)

D—Democrats ..... 39  
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\* Appointed to fill the vacancy caused by the death of the Honorable William M. Furtado.



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**Session Laws of Hawaii  
Passed By The  
Fourth State Legislature  
Regular Session  
1968**

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**ACT 1**

**S. B. 1.**

**A Bill for an Act Relating to Home Exemptions for Purposes of Real Property Taxation for the 1968 Tax Year.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Act 255, S.L.H. 1967, changed the deadline for the filing of home exemptions under the real property tax law for the tax year 1968 from January 15, 1968 to December 31, 1967. Many taxpayers, including senior citizens entitled to a multiple home exemption, were unaware of the new deadline and were not able to file their claims on time. It is urgent and in the public interest that immediate action be taken to grant taxpayers an extension of time in which to file their claims for home exemptions for the tax year 1968.

**SECTION 2.** Notwithstanding any laws to the contrary and applicable only for the tax year 1968, the time in which a claimant may file a return for and claim a home exemption pursuant to the provisions of section 128-13, Revised Laws of Hawaii 1955, as amended, is hereby extended to and including March 11, 1968.

**SECTION 3.** This Act shall take effect upon its approval.

(Approved March 4, 1968.)

**ACT 2**

**H. B. 2.**

**A Bill for an Act Making Appropriations to Provide for the Expenses of the Legislature and the Legislative Auditor.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** There is hereby appropriated from the general funds of the State the sum of \$455,000, or so much thereof as may be necessary, for defraying the presession, interim session and other expenses of the Senate for the Budget Session of 1968, Fourth State Legislature of the State of Hawaii, and for the period up to and including February 18, 1969.

ACT 2

SECTION 2. There is hereby appropriated from the general funds of the State the sum of \$658,000, or so much thereof as may be necessary, for defraying the presession, interim session and other expenses of the House of Representatives for the Budget Session of 1968, Fourth State Legislature of the State of Hawaii, and for the period up to and including February 18, 1969.

SECTION 3. Any unencumbered balance of the appropriations provided for in sections 1 and 2 remaining at the close of the Budget Session of 1968 is hereby appropriated to defray any and all expenses of the Senate and the House of Representatives, including but without limitation to the generality of the foregoing, the expenses of any committee or committees established by either the Senate or the House of Representatives, respectively, and the presession expenses of the General Session of 1969. Payment of such expenses shall be made only with the approval of either the President of the Senate or the Speaker of the House of Representatives, respectively.

SECTION 4. Before February 19, 1969, the Senate and the House of Representatives shall have their accounts audited and a full report of such audit shall be presented to the Senate and to the House of Representatives of the Legislature convening on February 19, 1969.

SECTION 5. The expenses of any members of the Legislature while traveling abroad on official business of the Legislature shall not be limited by the provision of section 5-16 of the Revised Laws of Hawaii 1955, as amended, or by any other general statute. The expenses of such member shall be the higher sum allowed by section 2-20 of the Revised Laws of Hawaii 1955, as amended, and authorized by the President of the Senate or the Speaker of the House of Representatives, respectively.

SECTION 6. In accordance with the provisions of section 2-39, Revised Laws of Hawaii 1955, as amended, there is hereby appropriated from the general funds of the State, the sum of \$386,015(20), or so much thereof as may be necessary, for defraying the expenses of the office of the auditor during the fiscal year 1968-69; provided, that of the sum appropriated under this section, the amount of \$35,000 shall be expended only for purposes specifically authorized by joint action of the Senate and the House of Representatives through the President of the Senate and the Speaker of the House of Representatives. The maximum number of positions authorized during the fiscal year 1968-69 is the number stated in parentheses after the appropriation.

SECTION 7. Each section of this Act is hereby declared to be severable from the remainder of this Act.

SECTION 8. This Act shall take effect upon its approval.  
(Approved March 13, 1968.)

## ACT 3

S. B. 375.

A Bill for an Act Relating to the Constitutional Convention and Appropriating Sufficient Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Act 222, Session Laws of Hawaii 1967, provides for a constitutional convention to be held in Honolulu beginning on July 15, 1968, and for a special election of the delegates to be held on June 1, 1968. The Act made initial appropriations to (a) the governor to advertise in the general media issues that are likely to be involved in the convention and (b) to the legislative reference bureau to update the 1950 Manual on State Constitutional Provisions. No appropriations were made for the actual expenses of the convention, for the expenses of conducting the election of delegates nor for the expenses of publication of the manuals or for research service and assistance to the convention delegates. Furthermore, Act 222 may have to be amended in certain respects to provide for the convention. It is, therefore, urgent that these appropriations and amendments be made during this session of the legislature.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,205,000 or so much thereof as may be necessary, to the office of the governor, or to the officers elected by the delegates if so designated by the governor, for defraying the presession, session, and postsession expenses of the constitutional convention, including the payment of compensation to the delegates to the convention, and for such other expenses or purposes provided for in Act 222, Session Laws of Hawaii 1967.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$295,000, or so much thereof as may be necessary, to the office of the lieutenant governor for the purpose of conducting the election of delegates to the constitutional convention and for such other expenses or purposes provided for in Act 222, Session Laws of Hawaii 1967.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$60,000, or so much thereof as may be necessary, to the legislative reference bureau for the expenses of providing the necessary services and assistance for the convention, and for other expenses or purposes provided for in Act 222, Session Laws of Hawaii 1967.

SECTION 5. All unexpended and unencumbered balances of the appropriations made by this Act as of the close of business on December 31, 1968 shall lapse into the general fund of the State.

SECTION 6. This Act shall take effect upon its approval.

(Approved April 3, 1968.)

**ACT 4**

**ACT 4**

**S. B. 130.**

**A Bill for an Act Relating to the Employment Security Law and Amending Chapter 93, Revised Laws of Hawaii 1955.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Failure of an employer to report in a timely manner to the department of labor and industrial relations with respect to the separation of an employee causes delays in payment of unemployment benefits to the considerable hardship of the unemployed individual. It is urgent that legislation be enacted immediately to prevent further hardship caused by late reports by providing additional inducements to employers to make their reports of separation promptly.

**SECTION 2.** The second paragraph of section 93-32, Revised Laws of Hawaii 1955, is amended to read as follows:

"If any employer fails to furnish the information necessary to determine whether and in what amount the claimant is entitled to benefits in the manner and within the time specified by this chapter or regulations of the department, the department shall make a determination based upon such information as is available. In the absence of fraud, any redetermination made on the basis of information furnished by the employer after the prescribed period shall be effective only as to benefits paid after the week in which the information was received. In the absence of a showing by the employer satisfying the department that he could not reasonably comply with the department's requirement, any benefits overpaid prior to the effective date of the redetermination as a result of the employer's failure to furnish the information as required shall be charged entirely against the account of the noncomplying employer; provided that the overpaid benefits shall not, in any event, be recoverable from the claimant."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved April 5, 1968.)

**ACT 5**

**S. B. 48.**

**A Bill for an Act Relating to Taxation.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

In the 1966 budget session, the legislature enacted the Conveyance Tax

Law which took effect for the first time on January 1, 1967. In the 1967 general session, the legislature made changes to the Conveyance Tax Law. It is apparent at this time that additional changes in the Conveyance Tax Law are necessary. It is urgent and in the public interest that changes in the Conveyance Tax Law be made at the earliest possible opportunity to alleviate present problems of administering said law and to avoid any possible inconvenience to the public.

SECTION 2. Section 128A-1, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"§ 128A-1. Imposition of tax.** There is hereby imposed and shall be levied, collected, and paid, a tax as hereinafter provided, on all transfers or conveyances of realty or any interest therein, by way of deeds, leases, subleases, assignments of lease, agreements of sale, assignments of agreement of sale, instruments, writings, and any other document, whereby any lands, interests in land, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, lessee or lessees, sublessee or sublessees, assignee or assignees, or any other person or persons, by his, her, or their direction."

SECTION 3. Section 128A-2, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"§ 128A-2. Basis and rate of tax.** The tax herein shall be based on the actual and full consideration paid or to be paid, which shall include any liens or encumbrances thereon at the time of sale, lease, sublease, assignment, transfer, or conveyance, and shall be at the rate of five cents (\$.05) per one hundred dollars (\$100.00) of such actual and full consideration; provided, however, that in the case of a lease or sublease, the provisions of this chapter shall apply only to a lease or sublease whose full unexpired term is for a period in excess of ten (10) years, and in those cases, including (where appropriate) those cases where the lease has been extended or amended, the tax herein shall be based on the cash value of the lease rentals discounted to present day value and capitalized at the rate of 6 per cent, plus the actual and full consideration paid or to be paid for any and all improvements, if any, which shall include on site as well as off site improvements, applicable to the leased premises; and provided further, that the tax imposed for each transaction shall be not less than \$1."

SECTION 4. Subsection 128A-3(a), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(a) Any document or instrument which is executed prior to January 1, 1967."

SECTION 5. Subsection 128A-3(e), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(e) Any document or instrument in which there is a consideration of \$100.00 or less paid or to be paid."

SECTION 6. Subsection 128A-3(f), Revised Laws of Hawaii 1955, as amended, is hereby amended by substituting the words "document or instrument" for the word "deed" appearing in the first line thereof.

SECTION 7. Subsection 128A-3(g), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(g) Any deed, lease, sublease, assignment of lease, agreement of sale, assignment of agreement of sale, instrument or writing in which the United States or any agency or instrumentality thereof or the State of Hawaii or any agency, instrumentality, or governmental or political subdivision thereof are the only parties thereto."

SECTION 8. Section 128A-3, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto a new subsection, to be designated as subsection (j), and to read as follows:

"(j) Any document or instrument which solely conveys or grants an easement or easements."

SECTION 9. Subsection 128A-4(b), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(b) The tax imposed by this chapter shall be paid at such place or places as the director of taxation may direct and shall be due and payable no later than ninety days after the taxable transaction, and in any event prior to the imprinting of the seal or seals as provided by section 128A-5. Penalties and interest shall be added to and become a part of the tax, when and as provided by section 115-43."

SECTION 10. Section 128A-5, Revised Laws of Hawaii 1955, as amended, is hereby amended by amending the second sentence thereof, to read as follows:

"The seal or seals shall be so imprinted upon the payment of the tax, together with the appropriate penalty and interest where applicable, and, in any event, prior to the recordation or filing of the document or instrument with the registrar of conveyances or the assistant registrar of the land court."

SECTION 11. Subsection 128A-6(a), Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting thereto the following between the words "party" and "to" appearing in the first sentence thereof, to read as follows:

"with the exception of governmental bodies, agencies, or officers,"

SECTION 12. Subsection 128A-6(b) (3), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(3) In the case of any document or instrument described under subsection 128A-3(e), any party to such document or instrument shall file a certificate declaring the reasons why the consideration is \$100.00 or less."

SECTION 13. Subsection 128A-6(b) (4), Revised Laws of Hawaii

1955, as amended, is hereby amended by substituting the words "document or instrument" for the word "deed" wherever it appears thereof.

SECTION 14. Section 128A-6, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting therefrom subsection (b) (5), and re-designating subsection (b) (6) to read as subsection (b) (5).

SECTION 15. Subsection 128-A 6(d), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(d) Notwithstanding the foregoing, where the director of taxation deems it impracticable to require the filing of a certificate or certificates or to obtain the signatures of any or all parties to a certificate or certificates required under this section, he may, in his discretion, waive the requirement of filing the certificate or certificates or of securing the signature of any or all parties to the certificate or certificates."

SECTION 16. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

SECTION 17. This Act, upon its approval, shall be effective as of January 1, 1969.

(Approved April 9, 1968.)

## ACT 6

S. B. 78.

A Bill for an Act Relating to Mental Health, Mental Illness, Drug Addiction and Alcoholism; Amending Chapter 81, Revised Laws of Hawaii 1955; Repealing Section 278-1, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

At present public drunkenness is a criminal offense. In addition to its ineffectiveness, the existing system operates to discriminate against the poor, invites disregard of due process safeguards, and ignores the underlying medical, social, and public health problems of drunkenness. It is urgent that a law be enacted immediately to take drunkenness, as an offense in itself, out of the criminal system and to provide for a civil treatment program for drunkenness and alcoholism, including the use of medical facilities to replace the police station or jail as an initial detention unit for inebriates, inpatient medical care beyond a mere "drying out" process, and aftercare facilities for chronic drunkenness cases.

SECTION 2. Section 81-1 of the Revised Laws of Hawaii 1955 is amended:

\* Edited accordingly.

(a) By amending the definition of "Psychiatric facility" to read:

" 'Psychiatric facility' means a public or private hospital or part thereof which provides inpatient or outpatient care, custody, diagnosis, treatment or rehabilitation services for mentally ill persons or for persons habituated to the excessive use of drugs or alcohol or for intoxicated persons."

(b) By adding immediately preceding the definition of "patient" the following:

" 'Intoxicated person' means a person who is deprived of reasonable self-control because of intake of alcohol."

SECTION 3. Section 81-20 of the Revised Laws of Hawaii 1955 is amended:

(a) By amending the first sentence to read:

"No person, association, corporation or government agency shall establish, maintain or operate a psychiatric facility to which persons are admitted pursuant to the provisions of section 81-40(a) 2, 3, and 4 without first obtaining a license therefor from the department."

(b) By adding at the end the following sentence:

"This section shall not apply to any facility operated by the United States or any agency thereof."

SECTION 4. Section 81-41(a) of the Revised Laws of Hawaii 1955 is amended to read:

"(a) The administrator of a psychiatric facility or his deputy may admit to the facility for observation, care and treatment as a voluntary patient any person with a psychiatric disorder or habituated to the excessive use of drugs or alcohol, to an extent requiring hospitalization, or any intoxicated person, who voluntarily makes application therefor."

SECTION 5. Section 81-43(c) of the Revised Laws of Hawaii 1955 is amended to read:

"(c) Any police officer may take into custody and transport to any facility designated by the director of health, any person apparently mentally ill and conducting himself in a manner which in a mentally well person would be disorderly, or any person apparently intoxicated and found under circumstances in which he would be subject to arrest or in which his safety or property or the safety or property of others is endangered because of his actions or condition, and make application for the examination, observation, diagnosis, and, if appropriate, certification of the person. The application shall state and shall be accompanied by a statement of the circumstances under which the person was taken into custody and the reasons therefor. Acceptance of the person as a patient by the psychiatric facility shall terminate the responsibility of the police officer for the person taken into custody, but shall not affect the liability of such person to subsequent arrest and prosecution for violation of any penal law."

SECTION 6. Section 81-44 of the Revised Laws of Hawaii 1955 is amended to read:

"An application for admission to a psychiatric facility shall be made to the administrator of the facility. The administrator or his deputy may approve the application. The application shall set forth sufficient facts to identify the person to be admitted, the type of admission, the certificating physicians, if any, and the applicant, and shall set forth the name and address, if known, of a responsible spouse, relative or friend of the patient other than the applicant. The director may require additional information to be contained in the application. The application shall be executed subject to the penalties of perjury but need not be sworn to before a notary public."

SECTION 7. Section 278-1 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 8. This Act shall take effect on January 1, 1969.  
(Approved April 18, 1968.)

#### ACT 7

S. B. 45.

A Bill for an Act Relating To Taxation and Amending Chapters 117 and 127, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Under the present general excise tax law set forth in chapter 117, R.L.H. 1955, as amended, the department of taxation has interpreted such law to mean that sales of tangible personal property made to national banks are exempt transactions under that law. Also, under present interpretation of the use tax law set forth in chapter 119, R.L.H. 1955, as amended, national banks are deemed exempt from the application of that tax law. On the other hand, sales made to state-chartered banks are not exempt from the application of the general excise tax law nor are such banks exempted from the application of the use tax law. The resulting tax advantages now enjoyed by national banks over state-chartered banks are deemed not justifiable under present terms and conditions and are not conducive to a uniform application of the aforesaid tax laws. Furthermore, it is inequitable that state-chartered banks bear a greater tax burden than national banks since both enjoy the same benefits and privileges from state and local services and both are afforded the same protection of Hawaii laws.

The holding that national banks are exempt from the application of Hawaii's use tax law results from an interpretation of the use tax law and the Congressional Act that authorized the establishment of such banks—"The National Bank Act." Furthermore, section 127-2 of the R.L.H. 1955, as amended, imposes a franchise tax on national banks in lieu of other taxes imposed by the State or any political subdivision of the State. A most recent court decision in this area of state taxation of national banks is a decision by

**ACT 8**

the supreme court of one of the states holding that the State's sales and use tax may be imposed upon national banks notwithstanding the language contained in the National Bank Act. The matter is now before the Supreme Court of the United States. In view of this recent decision, section 127-2 should be amended so as to permit the application of other Hawaii taxes on national banks, to the extent permissible, in the same manner and to the same extent as are applicable to state-chartered banks. Accordingly, this Act is deemed an urgency measure necessary in the public interest.

**SECTION 2.** Subsection 117-21.5(a)(3), R.L.H. 1955, as amended, is hereby further amended to read as follows:

"(3) Other tangible personal property hereafter sold by any person licensed under chapter 117 to the United States (including any agency or instrumentality thereof), but the person making such sale shall nevertheless, within the meaning of chapter 117, be deemed a licensed seller."

**SECTION 3.** Subsection 127-2(b), R.L.H. 1955, as amended, is hereby further amended to read as follows:

"(b) Nothing in this chapter shall be construed (1) to exclude the application of other taxes imposed by the State or any political division thereof on national banking associations, their activities, property, income, shares or dividends when such taxes may be imposed in addition to those authorized by the above cited section 5219 of the Revised Statutes, or other similar law, or (2) to exempt the real property of national banking associations from taxation to the same extent, according to its value, as other real property is taxed, or (3) to preclude the inclusion of the dividends from national banking associations in the income of individuals taxable under chapter 121 to the same extent as are included dividends from domestic corporations."

**SECTION 4.** This Act, upon its approval, shall be effective for those tax years beginning on and after January 1, 1969.

(Approved April 23, 1968.)

**ACT 8**

**S. B. 112.**

A Bill for an Act Relating to the Net Income Tax and Amending Chapter 121, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Under the present law, only persons with adjusted gross income of less than \$6,000 are permitted to file the Hawaii net income tax short-form return. The present law also permits such persons to determine their net income tax liability from prepared tax tables. Regulations under the Internal Revenue Code have been changed so that the amount permissible for filing short-

form federal returns is "less than \$10,000," which change simplifies the procedure for filing net income tax returns for a substantial segment of the nation's population. Such regulations also permit prepared tax tables to be used by taxpayers with adjusted gross income of less than \$5,000.

Unless the present law is changed, confusion will arise out of the fact that Hawaii taxpayers with adjusted gross income of less than \$10,000 will, with respect to short-form returns and tax tables, be required to follow two different procedures—one with respect to the filing of federal net income tax returns and the other with respect to the filing of the Hawaii net income tax returns. Such circumstance would be contrary to the legislative intent that the taxpayers' burden be minimized by simplification of the procedure for the filing of returns, and that the rules and regulations, forms and procedures adopted with regard to the Hawaii net income tax should "conform as nearly as possible . . . to the rules and regulations, forms and procedures adopted and established under the Internal Revenue Code." See subsection 121-2(a) of the Revised Laws. More particularly with regard to the use of short-form returns, failure to change the present law will require approximately 25,000 taxpayers in this State to file long-form returns for purposes of the Hawaii net income tax, while being permitted to file short-form returns for the federal net income tax. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

**SECTION 2.** Section 121-10 of the Revised Laws of Hawaii 1955, as amended, is further amended as follows:

**"§ 121-10. Alternative 'short-form' tax; tables.** If a taxpayer's adjusted gross income for the taxable year is less than \$10,000, he shall have the option of filing a short-form return, which form and procedure for its filing, shall substantially conform to the appropriate rules and regulations, forms and procedures adopted and established under the Internal Revenue Code governing the filing of federal short-form returns and use of tax tables; provided that the tax to be assessed, levied, collected and paid by a taxpayer through his use of the short-form return shall be substantially equivalent to the tax provided in section 121-8 and shall be in lieu thereof."

**SECTION 3.** This Act shall, upon its approval, apply to taxable years beginning on or after January 1, 1968.

(Approved April 23, 1968.)

## ACT 9

S. B. 273.

A Bill for an Act Amending Chapter 160, Revised Laws of Hawaii 1955, as Amended, Relating to Security Interests in Motor Vehicles.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

**ACT 10**

Section 160-10 (e), Revised Laws of Hawaii 1955, as amended, by Act 79, Session Laws of Hawaii 1967, provides that "the Uniform Commercial Code shall exclusively control the attachment and perfection of a security interest" in a motor vehicle.

Under the Uniform Commercial Code, the usual method of perfection of security interests is by recordation in the Bureau of Conveyances. Consequently the above quoted section 160-10 (e) provision can be misconstrued as prescribing such recordation for perfection of security interests in motor vehicles. In actuality, the Uniform Commercial Code provision intended to be referred to are those that (1) make an exception to the usual perfection method of recordation and prescribe registration with the county treasurer as heretofore pursuant to chapter 160, Revised Laws of Hawaii 1955, in order to perfect a security interest in a motor vehicle which is not inventory, and (2) prescribe recordation with the bureau of conveyances in order to perfect a security interest in a motor vehicle that is inventory. (Uniform Commercial Code, sections 9-302 (3) (b) and 9-302 (4).)

In view of the ready susceptibility of section 160-10 (e) to an opposite unintended construction and the large volume of commerce in motor vehicles, in which certainty of security interests is very important, it is urgent and in the public interest that section 160-10 (e) be clarified.

**SECTION 2.** Section 160-10 (e), Revised Laws of Hawaii 1955, as amended, is further amended to read:

"(e) Until the treasurer has issued the new certificate of registration and certificate of ownership as in subdivision (d) provided, delivery of such vehicle shall be deemed not to have been made and title thereto shall be deemed not to have passed, and the intended transfer shall be deemed to be incomplete and not to be valid or effective for any purpose, notwithstanding any provision of the Uniform Commercial Code; provided that a security interest in a motor vehicle shall be perfected as provided in the Uniform Commercial Code, sections 9-302(3) (b) and 9-302(4), and that the validity, attachment, priority and enforcement of such security interest shall be governed by Article 9 of said Code."

**SECTION 3.** Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

**SECTION 4.** This Act shall take effect upon its approval.  
(Approved April 23, 1968.)

**ACT 10**

H. B. 407.

A Bill for an Act Amending Chapter 205A, Revised Laws of Hawaii 1955, as Amended, Relating to the Regulation of the Conduct of Trade and Commerce.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure

\* Edited accordingly.

deemed necessary in the public interest within the meaning of section 11, Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

In the interest of protecting the consuming public, the legislature in 1965 enacted section 205A-1.1, Revised Laws of Hawaii 1955, as amended. This section, framed after section 5(a) (1) of the Federal Trade Commission Act, declares illegal all "unfair methods of competition or unfair or deceptive acts or practices in commerce."

The breadth of section 205A-1.1, Revised Laws of Hawaii 1955, as amended, encompasses a vast number of practices which take unfair advantage of the consumers' interest. This section makes certain practices unlawful, and provides for the injunctive relief in accordance with the provisions of section 205A-13, Revised Laws of Hawaii 1955, as amended. However, the injunctive relief that is afforded to the consumer has not been an adequate deterrent to those individuals who continually violate section 205A-1.1, Revised Laws of Hawaii 1955, as amended.

An amendment to provide for civil penalties would tend to deter such violators. It is in the public interest that such sanctions be provided as soon as possible.

**SECTION 2.** Chapter 205A, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto the following new section immediately following section 205A-1.2, to read as follows:

**"§ 205A-1.3 Civil Penalty.** Any person, firm, company, association, or corporation violating any of the provisions of section 205A-1.1, Revised Laws of Hawaii 1955, as amended, shall be fined by a sum not less than \$500 nor more than \$2,500 for each violation, which sum shall be collected in a civil action brought by the attorney general on behalf of the State of Hawaii."

**SECTION 3.** Chapter 205A, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto the following new section immediately following section 205A-13, to read as follows:

**"§ 205A-13.1. Penalty.** Any person, firm, company, association or corporation violating an injunctive order to cease and desist from violating any provisions of this chapter shall be fined by a sum not less than \$500 nor more than \$2,500, which sum shall be collected in a civil action brought by the attorney general on behalf of the State of Hawaii. Each separate violation of any such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the court, each day of continuance of such failure shall constitute a separate offense."

**SECTION 4.** This Act shall take effect upon its approval.

(Approved April 23, 1968.)

**ACT 11**

S. B. 7.

A Bill for an Act Relating to Hours of Work of Public Officers and Employees.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Legislation enacted in 1967 to provide a differential for night shift pay for public officers and employees is grossly inadequate to compensate properly for the hardships incurred by working at nights. Legislation is urgent immediately to increase the night shift pay differential.

SECTION 2. Section 1 of Act 147, Session Laws of Hawaii 1967, is amended by amending the new section in chapter 5, Revised Laws of Hawaii 1955, by substituting for the phrase "five cents per hour", the phrase "ten cents per hour".

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$127,000 or so much thereof as may be necessary for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 1968.

(Approved April 26, 1968.)

**ACT 12**

S. B. 392.

A Bill for an Act Relating to Delegates to the Constitutional Convention of 1968.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

There is no provision conferring privilege from arrest upon delegates to the forthcoming constitutional convention which convenes on July 15, 1968. It is urgent and in the public interest that provision be made to confer such privilege.

SECTION 2. Delegates to the State constitutional convention of 1968 shall in all cases, except felony or breach of the peace, be privileged from arrest during attendance at the convention and in going to and returning from the same.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 26, 1968.)

## ACT 13

S. B. 441.

A Bill for an Act Making Appropriations Out of the General Revenues to Cover Certain Judgments and Claims Against the State of Hawaii.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Various claims against the State of Hawaii have been determined, either by judgment or settlement, during the last fiscal year. Since no appropriation has been made to cover these claims and judgments, claimants must await action by the legislature's appropriating funds to provide for the payment of these claims and judgments before they can be satisfied. It is inequitable and harsh on many of these claimants, who have expended funds and have already waited in some cases five years before payment of their claims, which though settled cannot be satisfied.

In addition to tort claims outstanding against the State authorized by Chapter 245A, Revised Laws of Hawaii 1955, as amended, Act 232 of the Session Laws of Hawaii 1967 authorized the attorney general to compromise, arbitrate or settle any claim under \$2,000 without necessity of court approval or the commencement of an action. Relative thereto also it would be unfair to claimants who have incurred losses and hardships and who settled their claims to thereafter await legislative action before satisfaction of their claim.

SECTION 2. The following sums, or as much thereof as may be necessary, are hereby appropriated for the purpose of paying the following claims from general revenues:

SANCHEZ, CAROLINE L.		
Satisfaction of Judgment in Civil No. 1928 .....	\$ 344.39	
BECKSTROM, WILLIAM E.		
Satisfaction of Judgment in Civil No. 13557 .....	2,000.00	
IGE, KOSABURO		
Losses from fire at Benjamin Parker School .....	270.00	
KAMEI, RALPH		
Losses from fire at Benjamin Parker School .....	212.00	
FERNANDEZ, LAWRENCE		
Losses from fire at Benjamin Parker School .....	243.00	
IKARA, SUETO		
Losses from fire at Benjamin Parker School .....	41.00	
DUCLAYAN, ALFREDO		
Losses from fire at Benjamin Parker School .....	289.00	
UNITED STATES OF AMERICA		
Settlement of Civil Nos. 15380 and 16987 .....	110.00	
PETERSON, LAWRENCE AND MADGE		
Satisfaction of Judgment in Civil No. 16529 .....	7,892.00	
SYPHERT, LEE B.		
Satisfaction of Judgment in Civil No. 15287 .....	6,333.33	
NEEDHAM, BEVERLY		
Satisfaction of Judgment in Civil No. 12415 .....	1,100.00	

SECTION 3. The sums hereinabove appropriated shall be paid upon

**ACT 14**

warrants issued by the comptroller of the State upon vouchers approved by the director of the budget and finance in the several amounts and to the respective persons hereinabove set out as to said claims.

**SECTION 4.** If any portion of this Act or its application to any circumstances or person is held invalid for any reason, the remainder thereof shall not be affected thereby.

**SECTION 5.** This Act shall take effect upon its approval.

(Approved April 26, 1968.)

**ACT 14**

H. B. 11.

A Bill for an Act Relating to Cemeteries and Amending Chapter 171B, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Legislation enacted in 1967 to regulate cemeteries has created difficulties, particularly with respect to monetary requirements, for certain non-profit cemeteries that are not actively engaged in the business of selling cemetery property. Remedial legislation is urgent to provide limited exemptions for such non-profit cemeteries while at the same time preserving the public interest by continuing to provide by law for the protection of families that have loved ones buried in these cemeteries.

**SECTION 2.** The first sentence of section 171B-22, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Each cemetery authority licensed hereunder, except as otherwise provided in section 171B-22.5, shall file and maintain with the board a bond in the penal sum of \$50,000, issued by a surety company authorized to do business in the State, and running to the State."

**SECTION 3.** Chapter 171B, Revised Laws of Hawaii 1955, is hereby amended by adding a new section to read as follows:

**“§ 171B-22.5. Exemption.** The board shall exempt any cemetery authority from the bonding requirement and the fee requirements for license, renewal and reinstatement upon proof satisfactory to the board that it does not actively engage in pre-need sales or have a cemetery salesman required to be licensed under section 171B-25, or sell for financial profit."

**SECTION 4.** The first sentence of subsection 171B-31 (a), Revised Laws of Hawaii 1955, is hereby amended to read as follows:

“(a) The fee for a cemetery authority license, annual renewal thereof and reinstatement of a suspended license, except as otherwise provided in section 171B-22.5, shall be \$200.”

**SECTION 5.** This Act shall take effect upon its approval.

(Approved April 26, 1968.)

**ACT 15**

**H. B. 133.**

A Bill for an Act Relating to the Issuance of Bonds of the State of Hawaii and Amending Chapter 137, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Section 137-3, 137-7, 137-53 and 137-69, Revised Laws of Hawaii 1955, as amended, presently limit the interest that may be paid on general obligation bonds and refundings thereof to five per cent per annum and the interest that may be paid on revenue bonds and refundings thereof to six per cent per annum. Rapid changes in the bond market necessitate an upward revision of the State's bond interest structure. In order for the State's bonds to be readily marketable, it is urgent that the present interest ceilings of five per cent on general obligation bonds and refundings and six per cent on revenue bonds and refundings be raised to six per cent and seven per cent, respectively.

**SECTION 2.** Chapter 137, Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending section 137-3 by deleting the word "five" in the second sentence thereof and substituting therefor the word "six".

(b) By amending section 137-7 by deleting the word "five" in the first sentence thereof and substituting therefor the word "six".

(c) By amending section 137-53 by deleting the word "six" in the second sentence thereof and substituting therefor the word "seven".

(d) By amending section 137-69 by deleting the word "six" in the third sentence thereof and substituting therefor the word "seven".

**SECTION 3.** This Act shall take effect upon its approval.

(Approved April 26, 1968.)

**ACT 16**

**S. B. 24.**

A Bill for an Act Relating to the Revision of the General and Permanent Statutes of Hawaii; Enacting the Hawaii Revised Statutes; Authorizing the Publication Thereof; and Other Matters Relating Thereto.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

At its 1966 session the Legislature passed Act 29 authorizing the preparation of a revision of the statute laws of the State. It required the inclusion in the revision of all the general and permanent laws enacted by the Legislature through its session of 1967. At the same time it dispensed with the publication of the 1967 Supplement to the Revised Laws of 1955. In passing Act 29, the Legislature found the adoption of a new revision to be urgently needed in the public interest. The bulk revision has been completed and is ready for enactment into law. Its enactment at this session will permit the earliest substitution of the Revised Laws of 1955, which, as indicated, is supplemented through the 1965 session only. It will also enable the adoption of a revision that is currently complete, one containing the effective laws of all previous legislative sessions.

**SECTION 2.** Enactment of Revised Statutes. Titles 1 through 38, and each chapter and section thereof, of the 4-volume manuscript designated as "Hawaii Revised Statutes as prepared for submission to the Fourth State Legislature of the State of Hawaii," dated February 1968, prepared by the Office of Revisor of Statutes with the advice of the Advisory Committee on Statute Revision in accordance with Act 29 of the Session Laws of 1966 and Act 38 of the Session Laws of 1967, are hereby enacted as law effective February 19, 1969, and designated as "Hawaii Revised Statutes" and may be cited as "HRS."

**SECTION 3.** Repeal of prior laws; what not repealed. All statutes in force immediately prior to February 19, 1969, which are embraced, with or without change, in the Hawaii Revised Statutes are hereby repealed on and after February 19, 1969, and so much of the Hawaii Revised Statutes as is applicable or corresponds thereto shall be in force in lieu thereof; provided that the repeal shall not apply to or affect the following, except to the extent that they are theretofore, superseded or repealed, to wit:

- (a) Any statute or part thereof of which no part is embraced in the Hawaii Revised Statutes.
- (b) Any appropriation act, loan fund act, bond act, special pension act, franchise act, or any provision of like nature in any other act whether or not a part thereof has been embraced in the Hawaii Revised Statutes.
- (c) Any provision of a temporary nature.
- (d) Any provision in the nature of a saving clause or short title, or any provision relating to constitutionality, legislative findings or intent, interpretation, or the repeal of laws.
- (e) Any provision as to the time at which or manner in which provisions embraced in the Hawaii Revised Statutes were or are to take effect or apply, or other transition provisions.
- (f) Any provision as to the effect of noncompliance of any state law or part thereof with any federal law, or as to the effect of failure to secure a certificate or approval of any federal officer or other federal agency, and notwithstanding the enactment of the Hawaii Revised Statutes, such noncom-

pliance, or the failure to secure such certificate or approval, shall have the same effect as if the Hawaii Revised Statutes had not been enacted.

(g) Any provision relating to particular places, highways, projects, enterprises, or any other special or temporary provisions.

**SECTION 4.** Procedural statutes. Notwithstanding the inclusion in the Hawaii Revised Statutes of statutory provisions relating to process, practice, procedure, and appeals that have been superseded by the rules of court, the enactment of the Hawaii Revised Statutes shall not constitute a reenactment of such procedural provisions, and such procedural provisions shall continue to have only such force and effect as they had prior to the enactment of the Hawaii Revised Statutes.

**SECTION 5.** Preservation of rights and liabilities. Said repeal shall not affect any act done, ratified, or confirmed, or any right accruing, accrued, or established, or any action, suit, or proceeding had or commenced in any civil cause, prior to the repeal, but all rights and liabilities under any statute embraced in the Hawaii Revised Statutes or so repealed shall continue and may be enforced in the same manner and with the same effect as if the repeal had not been made; nor shall the repeal in any manner affect the right to any office or change the term or tenure thereof.

**SECTION 6.** Preservation of penalties for offenses, etc. Said repeal shall not affect any offense committed or any punishment, penalty, or forfeiture incurred, prior to the repeal, under any statutes embraced in the Hawaii Revised Statutes or so repealed, but every such offense may be prosecuted and punished, and every such punishment, penalty, or forfeiture imposed and enforced, in the same manner and with the same effect as if the repeal had not been made.

**SECTION 7.** Preservation of statutes of limitations. No statute of limitations, whether applicable to civil causes or proceedings, or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in the Hawaii Revised Statutes, or so repealed, shall be affected thereby, but all suits, proceedings, and prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the repeal may be commenced and prosecuted with the same effect as if the repeal had not been made.

**SECTION 8.** Construction of Revised Statutes. Provisions in the Hawaii Revised Statutes shall be construed as continuations or amendments of applicable or corresponding provisions of previously existing laws and not as new enactments. In case of a conflict between two or more provisions, or in any case of a latent or patent ambiguity or obvious clerical error in any provision of the Hawaii Revised Statutes, reference may be had to the previously existing laws for the purpose of applying the rules of construction relating to repeal by implication or for the purpose of resolving the ambiguity or correcting the error.

**SECTION 9.** Statutory references in existing laws. References in stat-

utes not repealed to provisions embraced, with or without change, in the Hawaii Revised Statutes shall be construed as applying to such provisions in the Hawaii Revised Statutes.

**SECTION 10.** Effect of acts. The enactment by section 1 of this Act of the Hawaii Revised Statutes shall not affect or repeal the acts passed at this session of the Legislature, which shall become law prior to the date of the taking effect of the Hawaii Revised Statutes; but all such acts shall have full effect, and so far as these acts vary from or conflict with any provision contained in the Hawaii Revised Statutes, they shall have the effect of subsequent acts and as amending, repealing, or adding to the Hawaii Revised Statutes. For purposes of incorporation into the Hawaii Revised Statutes, all references in the general laws passed at this session of the Legislature to the Revised Laws of Hawaii 1955 or to any other previously existing law shall be deemed to refer to the applicable or corresponding provisions contained in the Hawaii Revised Statutes.

**SECTION 11.** Printing, binding, and distribution. As authorized by Act 38 of the Session Laws of 1967, the Hawaii Revised Statutes, together with prefix, annotations, footnotes, appendices, tables, and indices, shall be printed and bound in a set of approximately eight volumes. Four thousand sets of the Hawaii Revised Statutes shall be printed, which shall be deposited with the lieutenant governor for distribution by him. The lieutenant governor may furnish copies of the Revised Statutes free of charge to government officials for official use and shall sell copies to other persons at a price to be fixed by him, not exceeding \$50.00 a set. The lieutenant governor may change the sales price when circumstances make such change advisable. All moneys received from the sale of the Hawaii Revised Statutes shall be deposited in the state treasury to the credit of the general fund.

**SECTION 12.** Correction of errors; formal changes; certification. The revisor of statutes may correct before the publication of the Hawaii Revised Statutes in bound form typographical and grammatical errors, erroneous references to sections, and other mistakes obviously made through oversight or accident and may also make any other purely formal or clerical changes in keeping with the purpose of the revision.

The revisor shall examine the Hawaii Revised Statutes as printed, and if he finds that each section of the manuscript submitted to this Legislature and enacted as law by this Act is correctly reproduced therein with the exception of the changes authorized by this section, the revisor shall furnish the printer a certificate to that effect and such certificate shall be reproduced at the beginning of volume 1 of each printed set.

**SECTION 13.** Continuance of advisory committee. The Advisory Committee on Statute Revision, appointed under Act 29 of the Session Laws of 1966, is continued until the Hawaii Revised Statutes is printed and published.

**SECTION 14.** Effective date. This Act shall take effect upon its approval.

(Approved April 30, 1968.)

### ACT 17

S. B. 34.

**A Bill for an Act Relating to the Department of Budget and Finance; Making Supplementary Appropriations out of the General Revenues to Cover Certain Deficiencies for the Fiscal Year Ending June 30, 1968.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The supplementary appropriations provided for herein are necessary to meet the cost of the affected programs and services for the remainder of the fiscal year ending June 30, 1968. It is urgent that this bill be enacted to prevent a breakdown in essential programs or services.

**SECTION 2.** The sum of \$2,614,924, or so much thereof as may be necessary, is hereby appropriated out of the general funds to the department of budget and finance to be allocated by the department to the affected agencies concerned. These funds shall be used to supplement any prior appropriations made for the specified purposes by any other Act, out of moneys in the treasury received from general revenues. The allocation to be made by the department of budget and finance shall be as follows:

<b>BUDGET AND FINANCE, DEPARTMENT OF</b>	
Employees' Group Medical and Hospital Care and Group Insurance .....	\$ 62,850
Finance Division—Bonded Debt .....	302,815
<b>SOCIAL SERVICES, DEPARTMENT OF</b>	
Economic Assistance Program Payment for Indigents and Medical Indigents .....	2,167,259
<b>HEALTH, DEPARTMENT OF</b>	
Lanai Community Hospital .....	20,000
Molokai General Hospital .....	22,000
<b>GOVERNOR'S OFFICE</b>	
Total .....	40,000
	\$2,614,924

**SECTION 3.** All unexpended and unencumbered balances of the appropriations made by this Act as of the close of business on June 30, 1968, shall lapse into the general fund of the State.

**SECTION 4.** This Act shall take effect upon its approval.

(Approved April 30, 1968.)

### ACT 18

S. B. 113.

**A Bill for an Act Relating to the Net Income Tax and Repealing Section 121-5(h), Revised Laws of Hawaii 1955, as Amended.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure

within the meaning of section 11 of Article III of the State Constitution.

The following is a statement of facts constituting such urgency:

Upon passage of the Revenue Act of 1962 by Congress, taxpayers were allowed a credit against the federal income tax equal to a certain percentage of the taxpayer's investment of his capital in purchases of certain properties. (Such properties are frequently referred to as "section 38 properties," which term is more particularly defined in section 48 of the Internal Revenue Code.) This is called investment credit. However, the Revenue Act of 1962 also required that the bases of such properties be reduced by the amounts of allowed tax credits (sometimes referred to as the "mandatory reduction in basis"), and that depreciation deductions must be computed upon such reduced bases.

The State of Hawaii did not adopt the investment credit system, but in lieu thereof, enacted subsection 121-5(h) of the Revised Laws, which permits taxpayers to take additional depreciation deductions, equal to the percentage used for the purpose of computing the investment credit. It should be observed, however, that the beneficial effect of such additional depreciation allowed by subsection 121-5(h) to the Hawaii taxpayers, is not mathematically proportionate to the investment credit allowed under the Internal Revenue Code. This is because the former is an item of deduction which merely reduces a taxpayer's taxable net income, while the latter is a credit allowed against, and which directly reduces, the tax itself.

Thus, despite the beneficial effect of the additional depreciation deduction allowed by subsection 121-5(h), a more important reason for its enactment was the Legislature's desire "to minimize the taxpayer's burden in complying with the income tax law," by enabling him to use "the same basis and depreciation schedule for both Federal and State purposes." See Standing Committee Report 758 and H.B. No. 56, House Journal 1963, pages 786 and 787. More particularly, subsection 121-5(h) relieved Hawaii taxpayers taking advantage of the investment credit, from being forced to maintain two separate methods of accounting—one for federal income tax purposes (reflecting the reduced bases) and the other for Hawaii income tax purposes (without such reductions).

By Public Law 88-272, Congress repealed the mandatory reduction in basis for property relating to investment credit. As a consequence, the main purpose of subsection 121-5(h) has ceased to exist. Failure to repeal subsection 121-5(h) would now impose upon all Hawaii taxpayers taking advantage of the investment credit, the requirement for maintaining two separate methods of accounting, contrary to the main intent of its original enactment. Additionally, failure to repeal subsection 121-5(h) would allow such taxpayers an additional depreciation deduction not permitted under the Internal Revenue Code. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Section 121-5(h) of the Revised Laws of Hawaii 1955, as amended, is repealed.

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning on or after January 1, 1968.

(Approved April 30, 1968.)

## ACT 19

S. B. 184.

A Bill for an Act Relating to the Ownership of and Possession of Firearms, and Amending Chapter 157 of the Revised Laws of Hawaii 1955, as Amended, and Establishing New Penalties for Certain Violations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

During recent years, there has been an alarming increase in the number of crimes involving the use of firearms in the State of Hawaii. Up to two years ago the number of armed robberies was few in comparison to the total number of robberies of all kinds and the use or possession of firearms by other arrestees was very few in number.

Since the possession of firearms and/or ammunition by persons having a prior record of convictions for crimes of violence gives rise to a reasonable apprehension that such persons might use such firearms for criminal and violent purposes, legislation prohibiting the possession or control of firearms by such persons and making such possession a felony is urgent and necessary for the protection of the general public.

Further, since the present chapter 157 provides no penalty or prohibition against selling, giving, lending or placing firearms in the custody of persons prohibited from ownership or possession, and since it is known that persons who are prohibited from ownership or possession of firearms do obtain them through sources which supply weapons for criminal activity, legislation to prohibit such possession and provide an appropriate penalty is the only way to prevent any additional increase in violent crimes committed through the use of firearms.

Further, the amendment of section 157-7 is necessary for uniformity of legislation to include those persons convicted of crimes involving the possession or sale of depressant or stimulant drugs to the class of persons prohibited from the ownership or possession of firearms as previous legislatures had done for those convicted of narcotics offenses; it is a fact that these classes of offenders are particularly dangerous when they are apprehended or when they are under the influence of narcotics or drugs, and must therefore be prevented from possession of firearms for the public interest.

The amendment to section 157-6 continues the penalty for its violation to remain a misdemeanor as presently provided in section 157-7 although the penalty for the violation of the provisions of section 157-7 has been increased to the level of felony.

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SECTION 2. Chapter 157 of the Revised Laws of Hawaii 1955, as amended, relating to firearms and ammunition is hereby further amended as follows:

A. By further amending section 157-6, as amended, by adding thereto, at the end thereof, a new paragraph to read as follows:

"Any person who violates any provision of this section shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

B. By further amending section 157-7, as amended, to read as follows:

**“§ 157-7.** (a) No person who is a fugitive from justice shall own or have in his possession or under his control any firearm or ammunition therefor. As used in this section the term ‘fugitive from justice’ means any person who has fled from any state, territory, the District of Columbia, or possession of the United States to avoid prosecution for a crime of violence or to avoid giving testimony in any criminal proceeding.

(b) No person who has been convicted in this State or elsewhere of having committed or attempted a crime of violence, or the illegal use, possession or sale of narcotics, or any depressant or stimulant drug, as defined by the Revised Laws of Hawaii 1955, as amended, shall own or have in his possession or under his control any firearm or ammunition therefor.

(c) No person shall knowingly give, sell, lend or place into the possession or control of any person prohibited therefrom by the provisions of paragraphs (a) or (b) above any firearm or ammunition therefor.

(d) Any person violating this section shall be fined not more than \$1,000 or imprisoned not more than 10 years, or both."

SECTION 3. This Act shall take effect upon its approval.

(Approved April 30, 1968.)

ACT 20

S. B. 444.

A Bill for an Act Relating to Aeronautics and Amending Chapter 15, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Chapter 15, Revised Laws of Hawaii 1955, as amended, establishes a statewide system of airports which is intended to be self-supporting. This system of airports includes neighbor island airports which do not at present generate the level of revenues which are generated at Honolulu International Airport. These neighbor island airports collectively operate at a deficit, yet it is the neighbor islands and the neighbor island airports which induce many tourists to travel to the State of Hawaii on the overseas air carriers which, in most cases, land at Honolulu International Airport. The introduction of the common fare plan and overseas landings at Hilo substantiate the close ties,

both economically and otherwise, which the overseas carriers have with the entire system of airports. Furthermore, many of the applicants in the present trans-pacific route case have indicated an express desire to serve the neighbor islands. The overseas carriers that are presently certificated to serve the State of Hawaii benefit from the very existence of the neighbor island airports and therefore should assist financially in supporting the expansion of such airports. Since most of the airport revenues are generated at Honolulu International Airport, economic support for the orderly development of the neighbor island airports must of necessity come from revenues generated at Honolulu.

The department of transportation is presently negotiating a four-year airport use charge formula commencing July 1, 1968, for Honolulu International Airport with its lessees, the principal overseas and inter-island commercial air carriers serving the State. In the event the department is unable to negotiate a satisfactory formula with the airlines which will assure the orderly development of the statewide system of airports on a financially sound basis, it will have to resort to a provision in the lease document which permits it to establish landing fees by means of laws, including rules and regulations, in existence on July 1, 1968. Accordingly, it is urgent that the following clarifying amendments be made to sections 15-10 and 15-12, Revised Laws of Hawaii 1955, as amended.

SECTION 2. Section 15-10 (b), Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“§15-10(b) All moneys received by the department of transportation from rents, fees and other charges pursuant to this chapter shall be paid into the airport revenue fund. All such moneys paid into the airport revenue fund and all tax collections paid into the state airport fund, created by section 129-11, shall be expended by the department for the statewide system of airports, including the construction of airports and air navigation facilities approved by the legislature, including acquisition of real property and interests therein; and for operation and maintenance of airports and air navigation facilities; and for the payment of indebtedness heretofore or hereafter incurred by the department, or its predecessor, the Hawaii aeronautics commission, for any of the purposes herein; and for the other purposes of this chapter. The department shall generate sufficient revenues from its airport properties to meet all of the expenditures of the statewide system of airports.”

SECTION 3. The last paragraph of section 15-12(a), Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“Except as otherwise provided in this section, in each case mentioned in paragraphs (1), (2), (3) and (4), the department of transportation may establish the terms and conditions of the contract, lease, license, or other arrangement, and may fix the charges, rentals or fees for the privileges, services, or things granted, conferred, or made available, for the purpose of meeting the expenditures of the statewide system of airports set forth in section 15-10(b), which includes expenditures for capital improvement projects approved by the legislature. Such charges shall be reasonable and uniform for the same class of privilege, service or thing.”

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**SECTION 4.** Section 15-12(c), Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“§ 15-12(c) Miscellaneous fees and charges. The department of transportation may fix and regulate, from time to time, reasonable landing fees for aircraft and other reasonable charges for the use and enjoyment of the airports and the services and facilities furnished by the department of transportation in connection therewith, including the establishment of a statewide landing fee which may vary among different classes of users such as foreign carriers, domestic carriers, inter-island carriers, air taxi operators and such other classes as may be determined by the director of transportation, for the purpose of meeting the expenditures of the statewide system of airports set forth in section 15-10(b), which includes expenditures for capital improvement projects approved by the legislature.”

**SECTION 5.** This Act shall take effect upon its approval.

(Approved April 30, 1968.)

**ACT 21**

**H. B. 154.**

A Bill for an Act Relating to Standards of Conduct for State Legislators and Employees, and Amending Act 263, Session Laws of Hawaii 1967.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Act 263, Session Laws of Hawaii 1967, took effect, by its terms, on January 1, 1968. The State Ethics Commission established by that Act, and charged thereby with the responsibility of administering the Act, is hindered in initiating implementation of the Act by doubt as to the coverage thereof. Although section 3 of the Act relating to applicability includes both officers and employees, the definition of the term “employee” in section 4(4) of the Act appears to exclude the non-officer employees. Section 4(4) presently defines the term “employee” as follows: “‘Employee’ means any person who has been elected to, appointed to, or nominated for, state office, board, commission or committee, but excluding legislators, justices, judges, and magistrates.” It is urgent that doubt as to the coverage of the Act be obviated so that the State Ethics Commission may proceed expeditiously to administer the Act without hindrance.

**SECTION 2.** Act 263, Session Laws of Hawaii 1967, is hereby amended by amending section 4(4) thereof to read as follows:

“‘Employee’ means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State, but excluding legislators, justices, judges, and magistrates.”

**SECTION 3.** This Act shall take effect upon its approval.  
 (Approved April 30, 1968.)

**ACT 22****H. B. 157.**

A Bill for an Act Relating to Executions Upon Judgments in District Courts.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Sales of property on execution issuing from district magistrates presently are not required to be reviewed by circuit courts. In certain cases these sales have been made for amounts greatly below the value of the property causing tremendous loss to the affected defendants. It is urgent and in the public interest to provide for a review of these sales by circuit courts to assure adequacy of consideration.

**SECTION 2.** Part II of chapter 233 is amended by inserting a new section to be numbered and to read as follows:

**“§ 233-31.5. Review by circuit court.** Before any sale of property pursuant to an execution or alias execution issued by a district magistrate, the same shall be reviewed by the circuit court in the circuit where the property is located and shall not become final until the circuit court approves of the sale. The circuit court shall not approve of any sale where the consideration to be paid for the property is inadequate. An appraiser may be appointed by the circuit court for the purposes of this section.”

**SECTION 3.** This Act shall take effect upon its approval.

(Approved April 30, 1968.)

**ACT 23****H. B. 193.**

A Bill for an Act Relating to Fishing in the State of Hawaii.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Present provisions of section 21-62, R.L.H. 1955, as amended, permit the use of nets of not less than one and one-half inches mesh size for the taking of akule, including the young thereof known as “hahalalu”. The otherwise unrestricted sport and commercial netting of the hahalalu has, with increasing frequency, been the basis of serious disputes affecting the public interest in the management of the akule resource. Hence, for the proper management of the akule resource, and in order to equitably balance the

interest of the sport fishing public and the commercial net and handline fishermen in the taking of akule or hahalalu, it is imperative that in addition to mesh size of nets, a minimum size limit be placed on the taking of hahalalu with the use of nets. Since runs of hahalalu occur during the summer months, the resolution of the problem prior to the onset of the seasonal runs is required. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Section 21-62 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"§ 21-62. Nets and traps, minimum sizes.** It shall be unlawful for any person to use fish nets or traps of any type with a stretched mesh of less than two inches, or to use any trap which is not portable or which is more than ten feet in length or six feet in height or width; provided, that (a) persons engaged in sport fishing may use throw nets with stretched mesh of not less than one and one-half inches, (b) pond owners or operators who hold a license issued under section 21-77 may use nets of smaller mesh to take young mullet or pua for stocking their fish ponds, (c) commercial fishermen who hold a license issued under section 21-78 may use nets of smaller mesh to take nehu, iao, marquesan sardine or any other species for which an open season may be declared by the Department of Land and Natural Resources for use as bait, and (d) all persons may use nets of smaller mesh to take shrimp or opae, opelu, makiawa or mikiawa. In the taking of akule a net with mesh of not less than one and one-half inches may be used; provided, that no akule measuring less than eight and one-half inches in total length from the tip of the snout to the tip of the tail shall be taken with a net during the months of July, August, September and October.

Any person violating the provisions of this section shall be fined not less than \$25 nor more than \$200, or imprisoned not more than fifty days, or both."

SECTION 3. New material to be added is underscored. In printing this Act, the revisor of statutes need not include the underscoring.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved April 30, 1968.)

ACT 24

S. B. 70.

A Bill for an Act Relating to the Filing of Consolidated Net Income Tax Returns by Affiliated Groups of Corporations and Amending Chapter 121, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

Section 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

\* Edited accordingly. Material in brackets also deleted.

The following is a statement of facts constituting such urgency:

Presently, corporations are not permitted to file consolidated Hawaii net income tax returns under chapter 121, R.L.H. 1955, as amended, although the Internal Revenue Code, for purposes of the federal net income tax, does permit consolidated filing, under certain stipulated conditions.

It is in the best public interest that affiliated groups of corporations be permitted to file consolidated net income tax returns, for purposes of the net income tax under chapter 121, R.L.H. 1955, as amended, so that the additional burden of preparing and filing substantially different tax returns for various levels of government on the part of the taxpayer be somewhat lessened. This will also have the effect of having the state law conform more closely with the federal law, thereby reducing confusion on the part of the taxpayers.

Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

**SECTION 2.** Subsection 121-26(b), Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“(b) Every corporation having for the taxable year gross income subject to taxation under this chapter; provided that an affiliated group of domestic corporations may make and file a consolidated return for the taxable year in lieu of separate tax returns in the manner and to the extent, so far as applicable, set forth in Sections 1501 through 1505 of the Internal Revenue Code of 1954, as amended.”

**SECTION 3.** Subsection 121-24.1(a), Revised Laws of Hawaii 1955, as amended, is hereby further amended by substituting a parenthesis for the comma, which appears after the figure “86-376” and eliminating the following words therefrom, which appear after the said figure “86-376”, to wit: “said section 1504 being applicable for this purpose though not generally applicable”).

**SECTION 4.** This Act shall take effect on January 1, 1969, and shall apply for all taxable years commencing thereon and thereafter.

(Approved May 7, 1968.)

## ACT 25

S. B. 117.

A Bill for an Act Relating to Housing.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

There is a pressing need for development in the community of housing in the low and moderate cost ranges. A major approach to developing such housing can be found in federally funded programs to provide housing. A difficulty in carrying out at the local level, such housing projects is that before

**ACT 26**

federal funds can be obtained "seed money" must be raised to pay preliminary costs. Through the utilization of a development fund, this "seed money" can be raised. It is urgent and in the public interest to create a development fund to begin to meet the great demand for low and middle cost housing.

**SECTION 2.** Chapter 77 of the Revised Laws of Hawaii 1955 is amended by adding the following section to be appropriately designated and to read as follows:

**"§ 77- . Housing development fund created.** There shall be a revolving fund to be known as the Hawaii development revolving fund for housing which shall be administered by the Hawaii housing authority. The fund may be used to make loans for the planning, development, and initial costs of commencing projects to provide nonprofit, low and middle cost housing through the use of federal funds. In managing the fund, the Hawaii housing authority may cooperate with other public and private agencies or individuals and may enter into secured loan agreements with them; provided that no single loan for a project shall exceed three-fourths of one per cent of the project cost. All repayments of principal and interest on loans made by the Hawaii housing authority from the fund shall be placed in the Hawaii development revolving fund for housing to be used for the purposes of this section."

**SECTION 3.** The sum of \$100,000 or so much thereof as may be necessary is appropriated to the Hawaii housing authority for the purposes of this Act.

**SECTION 4.** This Act shall take effect upon its approval.  
(Approved May 7, 1968.)

**ACT 26**

**S. B. 207.**

A Bill for an Act Relating to the Exemption of Cooperative Housing Corporations Under the General Excise Tax Law and Amending Chapter 117, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

During the 1965 and 1967 general sessions, the legislature made certain amendments to subsection (p) of section 117-21 Revised Laws of Hawaii 1955, as amended, to clarify the original intent of the General Excise Tax Law to exempt from general excise taxes cooperative housing corporations organized with the sole objective of permitting their stockholders to share in the cost of purchasing, operating and maintaining land and improvements for residential purposes. These amendments were not successful in effecting the intended clarification and have resulted in disputes between the director of taxation and such corporations concerning their application. It is urgent and

in the public interest that a further clarification be made to avoid the expense and inconvenience both to the State and to such corporations of unnecessary litigation to determine the legislative intent of the statute.

**SECTION 2.** Subsection (p) of section 117-21 Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(p) Amounts received by a cooperative housing corporation from its shareholders in reimbursement of funds paid by such corporation for lease rental, real property taxes and other expenses of operating and maintaining the cooperative land and improvements, provided that such a cooperative corporation is a corporation:

- (1) having one and only one class of stock outstanding.
- (2) each of the stockholders of which is entitled solely by reason of his ownership of stock in the corporation, to occupy for dwelling purposes a house, or an apartment in a building owned or leased by the corporation.
- (3) no stockholder of which is entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the corporation except in a complete or partial liquidation of the corporation."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

## ACT 27

S. B. 349.

A Bill for an Act to Amend Part I of Chapter 137 of the Revised Laws of Hawaii 1955, as Amended, Relating to General and Refunding Bonds.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Existing statutes do not permit the offering of a redemption premium in the sale of general obligation bonds of the State. In view of rapid changes in the bond market and since it may be necessary for the State to sell its bonds at a relatively high rate, it is deemed urgent that the State be permitted to make its general obligation bonds callable at a premium which will then enable the State to refund those bonds some time in the future at a savings.

The airports division of the department of transportation has an extensive and urgently needed capital improvements program the financing for which is proposed to be done by airport revenue bonds. It is incumbent on the department to sell these airport revenue bonds at the lowest possible interest rate. To accomplish this, the State must be permitted to refund, immediately, the outstanding Series A aviation revenue bonds. In order to avoid drawing from the general funds of the State for the payment of the refunding bonds, it is necessary to pledge the revenues from the aviation fuel tax for the payment of the principal thereof and interest thereon.

**SECTION 2.** Part I of chapter 137 of the Revised Laws of Hawaii

1955, as amended, is hereby further amended so as to read in its entirety as follows:

**"PART I. GENERAL OBLIGATION AND REFUNDING BONDS.**

**§ 137-1. Authorization to issue; amount.** The director of finance of the State may, with the approval of the governor, issue from time to time general obligation bonds of the State, to an amount not exceeding the total amount of such bonds authorized to be issued by acts of the legislature and any amendments thereto in effect at the date of issue of such bonds, and not exceeding the debt limitations prescribed by the Constitution of the State. Except as otherwise specifically provided in the act or acts authorizing the issuance thereof, such bonds shall be issued in the manner and upon the terms as are in this part stated.

**§ 137-2. Application of proceeds.** The proceeds of bonds so issued shall be exclusively devoted to the purpose or purposes defined and expressed in the acts of the legislature authorizing the issuance of bonds, and such proceeds shall be devoted to such purposes in such order as the governor may determine. The governor may allot the proceeds of any issue of bonds to a particular purpose, or to several purposes, and the proceeds of any issue of bonds may be allotted to various purposes irrespective of whether or not the purposes have all been provided for by the same legislative act, and an allotment may be made of only a portion of the proceeds authorized for a particular purpose. The governor may amend his allotments from time to time. The purpose or purposes of issuance need not be stated in any bond.

**§ 137-3. Allotments; appropriations.** Whenever the issuance of bonds has been authorized by an act of the legislature, such bonds may be issued, sold and delivered prior to or after any allotments have been made by the governor for the purposes to be financed by the issuance of such bonds. If any appropriation or appropriations, or any expenditure under an appropriation, made in an act of the legislature is conditioned, qualified or dependent, as to effectiveness or amount or otherwise, upon the performance, happening or existence of any act, occurrence or event, bonds authorized by an act or acts of the legislature to finance all or a portion of such appropriation may be issued prior to or after the time when all or any part of such appropriation becomes effective or such expenditure can be made and prior to or after the performance, happening or existence of such act, occurrence or event; provided, however, that the proceeds of such bonds may not be applied to any purpose or project requiring an allotment by operation of law, until such an allotment has been made, or be applied to any appropriation, or any expenditure under an appropriation, which has been so conditioned, qualified or made dependent, until such appropriation has become effective or until such expenditure can be made, or be applied in excess of the amount to which such an appropriation becomes effective, nor shall the provisions of this section permit the issuance of bonds to finance any appropriation which has theretofore lapsed by operation of law.

**§ 137-4. Bonds tax exempt; first charge on revenues.** All bonds

issued under this part and the income therefrom shall be exempt from all State, county and municipal taxation. Interest and principal payments of such bonds shall be a first charge on the general revenues of the State. The public faith and credit of the State shall be and they are hereby pledged to the punctual payment of the principal and interest thereof as the same shall become due, irrespective of whether or not such pledge be stated in such bonds, and sufficient revenues shall be raised or provided from time to time for the purpose of such payment.

**§ 137-5. Interest rate, denominations, maturities, place payable, medium of payment, registration, redemption and other details of bonds.** All bonds issued under this part shall bear interest, payable annually or semi-annually, at a rate or rates not exceeding six per centum per annum; shall mature and be payable at such time or times from the date of the issue thereof as will comply with the provisions of the Constitution of the State; may be made payable as to both principal and interest at places within and without the State; may be issued in coupon form without privilege of registration or registrable as to principal only or as to both principal and interest or issued in fully registrable form; may be made registrable at places within and without the State; and may be made redeemable at any time or times prior to their stated maturities at prices not to exceed one hundred four per cent of the par value thereof. The director of finance shall determine the date, denomination or denominations, interest payment dates, maturities, places of payment, registration privileges and places of registration, redemption prices and time or times and method of redemption, and all other details of bonds issued under this part. The principal and interest of all bonds issued under this part shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

**§ 137-6. Sale of bonds.** The director of finance may make such arrangements as may be necessary or proper for the sale of each issue of bonds or part thereof as are issued under this part. With the approval of the governor, the bonds may be sold for not less than the par value thereof at private sale to the United States of America, or any board, agency, instrumentality or corporation thereof, to the Employees' Retirement System of the State, to any political subdivision of the State, or to any board, agency, instrumentality, corporation or other governmental organization of the State or of any political subdivision of the State. Unless so sold at private sale such arrangements shall provide for the sale of the bonds by the director of finance, after public advertisement for tenders, either with the interest rate to be borne by such bonds having heretofore been fixed by the director with the approval of the governor, in which event the bonds shall be sold to the bidder offering the highest price therefor, or at not less than the par value thereof with the interest rate or rates to be borne by the bonds to be specified by the bidders therefor, in which event if bidders are permitted to specify more than one rate, the bonds shall be sold to the bidder offering the lowest interest cost to the State after allowing for any premium tendered, and if bidders are permitted to

specify only a single rate, the bonds shall be awarded to the bidder offering the lowest rate and the highest price for such lowest rate; provided, the right shall be reserved to reject any and all bids or to waive any irregularity or informality in any bid. Bonds offered for sale without a specified rate or rates of interest shall, without further action, bear interest at the rate or rates specified by the successful bidder therefor. The advertisement for tenders required by this section shall be published at least once and at least five days prior to the date of such sale in a newspaper published and of general circulation in the State and in a financial newspaper or newspapers published in any of the cities of New York, Chicago or San Francisco.

**§ 137-7. Premiums to general fund.** The premiums received from the sale of any bond issue shall be a realization of the general fund of the State.

**§ 137-8. Form and execution of bonds.** Bonds issued under this part shall be in such form as the director of finance may determine, shall be lithographed or engraved, shall be signed by the director of finance, shall bear a lithographed or engraved facsimile of the signature of the comptroller of the State, and shall be sealed with the seal or a lithographed or engraved facsimile of the seal of the department of budget and finance of the State; provided, however, that the director of finance, with the approval of the governor, may provide that bonds issued under this part may be typewritten, printed or otherwise reproduced, and that the signature of the comptroller upon such bonds may be his manual signature. Interest coupons shall bear a lithographed or engraved facsimile of the signature of the director of finance. Pending the preparation of the definitive bonds, interim receipts or certificates in such form and with such provisions as the director of finance may decide upon may be issued to the purchaser or purchasers of bonds sold pursuant to this part.

**§ 137-9. Same, signatures.** When bonds of the State are prepared and signed by the director of finance of the State and by the comptroller of the State in office at the time of such signing, the signatures of such director and comptroller shall be valid and sufficient for all purposes, and shall have the same effect as if the persons so officially signing such bonds had remained in office until the delivery of the same to the purchasers although the term of office of such persons or either of them may have expired or they may otherwise have ceased to be such officers before such delivery.

**§ 137-10. Bonds negotiable, incontestable.** This part, without reference to any other law, shall be full authority to issue, exchange or sell bonds of the State, and such bonds and all interim receipts or certificates shall have all the qualities of negotiable paper under the law merchant. Such bonds shall not be invalid for any irregularity or defect in the proceedings for the issue, sale or exchange thereof. Such bonds shall contain a recital that they have been authorized and issued pursuant to the laws of the State, which recital shall be conclusive evidence of their validity and the regularity of their issuance. No proceedings in respect of the issuance of any such bonds shall be necessary except such proceedings as are required by this part.

**§ 137-11. Payment, principal and interest.** When bonds issued under this part and the several interest amounts mature, the director of finance shall pay the same. If the bonds or interest are made payable elsewhere than at the office of the director of finance, he shall make arrangements to provide sufficient funds at the designated place or places of payment to meet and pay all such obligations at maturity in accordance with the terms thereof.

There is hereby appropriated out of the general revenues of the State all amounts necessary for the payment from time to time of the principal of the bonds and the several interest amounts as they mature, and this appropriation shall be a paramount appropriation upon the general revenues of the State.

**§ 137-12. Fiscal and paying agents and registrars.** The director of finance may appoint, with the approval of the governor, such fiscal agents, paying agents and registrars, within and without the State, as may be necessary and expedient to facilitate the sale, purchase, registration, transfer, exchange and redemption of the bonds of the State and the payment of the principal and interest thereon. The director may authorize and empower such fiscal agents and paying agents, for and on behalf of the State, to receive and receipt for moneys realized from the sale of such bonds and to pay out moneys for the payment, redemption or purchase thereof and for the payment of interest thereon, and to receive receipts for all moneys so paid out. Moneys received by the fiscal agents and paying agents from the sale of bonds on behalf of the State shall not, for a period of fifteen days after the sale of bonds, be considered as deposits within the meaning of chapter 133, and moneys placed with the fiscal agents and paying agents for the purpose of purchase or payment or redemption of bonds and coupons shall not be considered as deposits within the meaning of chapter 133. All appointments made under this section may be revoked by the director at any time.

**§ 137-13. Refunding bonds authorized.** For the purpose of refunding the present and future bonded indebtedness of the State, or bonds issued by any department, board, agency, instrumentality, commission or corporation of the State, the director of finance, with the approval of the governor but without further authorization of the legislature, may from time to time issue general obligation refunding bonds of the State with which to pay, call and redeem all or any part of the outstanding bonds of the State or bonds issued by any department, board, agency, instrumentality, commission or corporation of the State, at or before the maturity or the redemption date thereof, and may include various series and issues of such outstanding bonds in a single issue of refunding bonds and may include refunding bonds and bonds otherwise to be issued under this part in a single issue of bonds. Refunding bonds may be issued to pay principal, any redemption premium and interest to accrue and become payable on the outstanding bonds being refunded. The interest rate or rates of the refunding bonds shall not be limited by the interest rate or rates borne by any of the bonds to be refunded thereby. The refunding bonds may be issued and delivered at or at any time before the

maturity or redemption date of the bonds to be refunded that the director of finance, with the approval of the governor, determines to be in the best interest of the State. The refunding bonds shall be issued in accordance with the provisions of sections 137-4 to 137-6, both inclusive, and sections 137-8 to 137-13, both inclusive, of this part, and all of the provisions of said sections shall be applicable to such refunding bonds; provided that, notwithstanding the provisions of section 137-6 as to the sale of bonds issued under this part, in the discretion of the governor and director of finance, refunding bonds may be exchanged at not less than the par value of such refunding bonds for an equal amount of the bonds to be refunded under the provisions of this part at not more than the par value of the bonds to be refunded. In the event of the sale of refunding bonds, the proceeds therefor shall be applied solely to the payment of the bonds to be refunded under the provisions of this part. Pending the time the proceeds derived from the sale of refunding bonds issued hereunder are required for the purposes for which they were issued, the director may, upon authorization or approval of the governor, invest such proceeds in obligations of, or obligations unconditionally guaranteed by, the United States of America or in savings accounts, time deposits or certificates of deposit of any bank or trust company within or without the State, to the extent that such savings accounts, time deposits or certificates of deposits are collaterally secured by a pledge of obligations of, or obligations unconditionally guaranteed by, the United States of America, and to further secure such refunding bonds the State may, through the director of finance, enter into a contract with any bank or trust company, within or without the State, with respect to the safekeeping and application of the proceeds of such refunding bonds, and the safekeeping and application of the earnings of such investment. All bonds so refunded and redeemed by the issue and sale or issue and exchange of refunding bonds shall be cancelled.

The bonds which may be refunded under the provisions of this section include bonds issued under this part, any bonds payable or secured in whole or in part from the general revenues of the State, bonds payable or secured in whole or in part by any taxes or by the taxing power of the State, and any bonds which must be included when determining the power of the legislature to authorize the issuance of bonds and other evidences of indebtedness of the State. Without express authorization by the legislature, no bonds shall be issued under this part to refund bonds or other indebtedness incurred by a public enterprise of the State or by a public corporation when the only source of payment of or the only security for such bonds or other indebtedness is the revenues of such enterprise or public corporation.

**§ 137-14. Validation of proceedings.** All proceedings heretofore taken under this part with respect to the contracting of bonded indebtedness and the issuance, sale, execution and delivery of bonds by or on behalf of this State, are hereby validated, ratified, approved and confirmed, notwithstanding any defects or irregularities in any such proceedings or in such issuance, execution, sale or delivery, and such bonds so issued or to be issued are and shall be binding, legal, valid and enforceable obligations of the State.

**§ 137-15. Aviation fuel tax, pledge.** If at any time the director of finance, with the approval of the governor, shall issue general obligation bonds for the purpose of refunding aviation revenue bonds, then so long as any general obligation refunding bonds are outstanding, the State covenants with the holders of such bonds that it will levy and collect an aviation fuel tax in an amount at least sufficient to provide for the payment of the principal and interest thereof, which amounts are hereby pledged to the payment of such principal and interest. The State reserves the right to issue subsequent bonds, whether general obligation or revenue bonds, equally secured by a pledge of the revenues of such aviation fuel tax."

SECTION 3. This Act shall take effect upon its approval, except that if any bill purporting to amend part I of chapter 137, Revised Laws of Hawaii 1955, is enacted by this session of the Legislature, this Act shall take effect immediately after the effective date of that bill unless it is otherwise specifically provided therein.

(Approved May 7, 1968.)

## ACT 28

## H. B. 18.

A Bill for an Act Amending Sections 21-104 and 21-105, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The fisheries new vessel construction loan program was created by Act 193, Session Laws of Hawaii 1955 (now part IIIA, chapter 21, Revised Laws of Hawaii 1955, as amended), hereinafter called "Act 193". The purpose of Act 193 was to assist in the development of commercial fishing in the State of Hawaii by providing financial assistance for the construction of new fishing vessels and to complement the United States Fishing Fleet Improvement Act (P.L. 88-498) of 1964. Act 193 further appropriated the sum of \$20,000 to carry out the purposes of the Act.

Section 6(a) of Act 193 contains the following restriction:

"No loan shall exceed 80% of the difference between the cost of construction of a vessel and federal subsidy under P.L. 88-498."

In order for a person to obtain a loan under this program, he must first obtain a subsidy from the federal government under the United States Fishing Fleet Improvement Act (P.L. 88-498) of 1964. He then becomes eligible to qualify for a loan from the State, which loan is limited to 80% of the difference between the cost of construction of a vessel and the federal subsidy. Under P.L. 88-498, the subsidy may not exceed 50% of the cost of construction. The difficulty faced by local fishermen is that it is almost impossible to obtain a federal construction subsidy, which is a must in order to qualify a person for a state loan. It is in the public interest that this situation be corrected

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as soon as possible so as to remove from Act 193 the condition precedent to qualifying for a loan from the State.

SECTION 2. Subsection (a) of section 21-104, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(a) Prescribe the qualifications for eligibility of applicants for loans and, in so doing, be guided by requirements as set forth in P.L. 88-498."

SECTION 3. Subsection (a) of section 21-105, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(a) No loan of state funds shall exceed eighty per cent of the cost of construction of a vessel."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 7, 1968.)

**ACT 29**

H. B. 135.

A Bill for an Act Relating to Conditions of Loans Under the Hawaiian Homes Commission Act, 1920, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

At present under section 215(1) of the Hawaiian Homes Commission Act 1920, as amended, the department of Hawaiian home lands is authorized to make home loans to residential homestead lessees to a maximum of \$10,000 and to agricultural and pastoral homestead lessees to a maximum of \$15,000 for the construction of dwellings and other permanent improvements. At present costs it is practically impossible at these maximums to build the types of homes most needed in the homesteading program or to construct the improvements essential to modern farming and ranching. To continue assisting the Hawaiian homestead lessee it is essential that the maximum loan amounts now authorized be increased to a level consistent with and realistic in terms of current cost of construction. The department is now planning construction for July 1968 which will require the requested higher maximums. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Subsection (1) of section 215 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby amended to read as follows:

**“§ 215. Condition of loans.** (1) Each contract of loan with the lessee or any successor or successors to his interest in the tract or with any agricultural cooperative association composed entirely of lessees shall be held subject to the following conditions whether or not stipulated in the contract of loan: The amount of loans at any one time to any lessee, or successor or successors in interest, of a tract of agricultural or pastoral land shall not, with

respect to the provisions of subsections (1), (2) and (3) of section 214, exceed \$25,000; to any lessee, or successor or successors in interest, of a residence lot shall not exceed \$20,000 but with respect to the provisions of subsection (4) of section 214 shall be without limit, and to any agricultural cooperative association shall be determined by the department on the basis of the proposed operations of the association and the security available; provided, that where, upon the death of a lessee leaving no relative qualified to be a lessee of Hawaiian home lands, or the cancellation of a lease by the department, or the surrender of a lease by the lessee, the department shall make the payment provided for by section 209(1), the amount of any such payment made to the legal representative of the deceased lessee, or to the previous lessee, as the case may be, shall be considered as part or all, as the case may be, of any such loan to the successor or successors, without limitation as to the above maximum amounts; provided, further, that in case of the death of a lessee, or cancellation of a lease by the lessee, the successor or successors to the tract shall assume any outstanding loan or loans thereon, if any, without limitation as to the above maximum amounts but subject to provisions of paragraph (3) of this section."

**SECTION 3.** Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

**SECTION 4.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

## ACT 30

H. B. 141.

A Bill for an Act Relating to the Multistate Tax Compact and Making an Appropriation Therefor.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The Multistate Tax Compact was formulated by the Council of State Governments with the cooperation of the National Association of Tax Administrators, the National Association of Attorneys General and the National Legislative Council. This Compact has been adopted by approximately eleven states in the Union. The Multistate Tax Commission, which administers the Compact, has presently twenty-three states as members, eleven of which are regular, and twelve of which are associates.

The Compact was formulated as the states' counterproposal to the various bills which have been introduced in Congress of the United States having as its purpose the restriction of state and local taxation in the area of inter-

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\* Edited accordingly.

state commerce. There is presently pending before Congress, a bill which, in effect, has this purpose.

It is urgent that this State adopt the Multistate Tax Compact to promote uniform and equitable tax treatment of multistate businesses. If enough states in the Union adopt the Compact, this could very well deter any federal legislation curbing the taxing power of the states.

Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

**SECTION 2.** The "Multistate Tax Compact" is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

## **"MULTISTATE TAX COMPACT"**

### **Article I. Purposes.**

The purposes of this compact are to:

1. Facilitate proper determination of State and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.
2. Promote uniformity or compatibility in significant components of tax systems.
3. Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.
4. Avoid duplicative taxation.

### **Article II. Definitions.**

As used in this compact:

1. "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any Territory or Possession of the United States.
2. "Subdivision" means any governmental unit or special district of a State.
3. "Taxpayer" means any corporation, partnership, firm, association, governmental unit or agency or person acting as a business entity in more than one State.
4. "Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.
5. "Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.
6. "Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.
7. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession or custody of tangible personal property

or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a specifically identified commodity or article or class or commodities or articles.

8. "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership possession or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property and (b) is complementary to a sales tax.

9. "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of Articles III, IV and V of this compact shall apply only to the taxes specifically designated therein and the provisions of Article IX of this compact shall apply only in respect to determinations pursuant to Article IV.

### **Article III. Elements of Income Tax Laws.**

#### **Taxpayer Option, State and Local Taxes.**

1. Any taxpayer subject to an income tax whose income is subject to apportionment and allocation for tax purposes pursuant to the laws of a party State or pursuant to the laws of subdivisions in two or more party States may elect to apportion and allocate his income in the manner provided by the laws of such State or by the laws of such States and subdivisions without reference to this compact, or may elect to apportion and allocate in accordance with Article IV. This election for any tax year may be made in all party States or subdivisions thereof or in any one or more of the party States or subdivisions thereof without reference to the election made in the others. For the purposes of this paragraph, taxes imposed by subdivisions shall be considered separately from state taxes and the apportionment and allocation also may be applied to the entire tax base. In no instance wherein Article IV is employed for all subdivisions of a State may the sum of all apportionments and allocations to subdivisions within a State be greater than the apportionment and allocation that would be assignable to that State if the apportionment or allocation were being made with respect to a State income tax.

#### **Taxpayer Option, Short Form.**

2. Each party State or any subdivision thereof which imposes an income tax shall provide by law that any taxpayer required to file a return, whose only activities within the taxing jurisdiction consist of sales and do not include owning or renting real estate or tangible personal property, and whose dollar volume of gross sales made during the tax year within the State or subdivision, as the case may be, is not in excess of \$100,000 may elect to report and pay any tax due on the basis of a percentage of such volume, and shall adopt rates which shall produce a tax which reasonably approximates

the tax otherwise due. The Multistate Tax Commission, not more than once in five years, may adjust the \$100,000 figure in order to reflect such changes as may occur in the real value of the dollar, and such adjusted figure, upon adoption by the Commission shall replace the \$100,000 figure specifically provided herein. Each party State and subdivision thereof may make the same election available to taxpayers additional to those specified in this paragraph.

**Coverage.**

3. Nothing in this Article relates to the reporting or payment of any tax other than an income tax.

**Article IV. Division of Income.**

1. As used in this Article, unless the context otherwise requires:

(a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission, sale, delivery, or furnishing of electricity, water or steam; and (2) whose rates of charges for goods or services have been established or approved by a federal, state or local government or governmental agency.

(g) "Sales" means all gross receipts of the taxpayer not allocated under paragraphs of this Article.

(h) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any Territory or Possession of the United States, and any foreign country or political subdivision thereof.

(i) "This State" means the State in which the relevant tax return is filed or, in the case of application of this Article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.

2. Any taxpayer having income from business activity which is taxable

both within and without this State, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in this Article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this Article, the taxpayer may elect to allocate and apportion his entire net income as provided in this Article.

3. For purposes of allocation and apportionment of income under this Article, a taxpayer is taxable in another State if (1) in that State he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that State has jurisdiction to subject the taxpayer to a net income tax regardless of whether in fact, the State does or does not.

4. Rents and royalties from real or tangible personal property, capital gains, interest, dividends or patents or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in paragraphs 5 through 8 of this Article.

5. (a) Net rents and royalties from real property located in this State are allocable to this State.

(b) Net rents and royalties from tangible personal property are allocable to this State: (1) if and to the extent that the property is utilized in this State, or (2) in their entirety if the taxpayer's commercial domicile is in this State and the taxpayer is not organized under the laws of or taxable in the State in which the property is utilized.

(c) The extent of utilization of tangible personal property in a State is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the State during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the State in which the property was located at the time the rental or royalty payer obtained possession.

6. (a) Capital gains and losses from sales of real property located in this State are allocable to this State.

(b) Capital gains and losses from sales of tangible personal property are allocable to this State if (1) the property had a situs in this State at the time of the sale, or (2) the taxpayer's commercial domicile is in this State and the taxpayer is not taxable in the State in which the property had a situs.

(c) Capital gains and losses from sales of intangible personal property are allocable to this State if the taxpayer's commercial domicile is in this State.

7. Interest and dividends are allocable to this State if the taxpayer's commercial domicile is in this State.

8. (a) Patent and copyright royalties are allocable to this State: (1) if

and to the extent that the patent or copyright is utilized by the payer in this State, or (2) if and to the extent that the patent copyright is utilized by the payer in a State in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this State.

(b) A patent is utilized in a State to the extent that it is employed in production, fabrication, manufacturing, or other processing in the State or to the extent that a patented product is produced in the State. If the basis of receipts from patent royalties does not permit allocation to States or if the accounting procedures do not reflect States of utilization, the patent is utilized in the State in which the taxpayer's commercial domicile is located.

(c) A copyright is utilized in a State to the extent that printing or other publication originates in the State. If the basis of receipts from copyright royalties does not permit allocation to States or if the accounting procedures do not reflect States of utilization, the copyright is utilized in the State in which the taxpayer's commercial domicile is located.

9. All business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

10. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this State during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.

11. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

12. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

13. The payroll is a fraction, the numerator of which is the total amount paid in this State during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.

14. Compensation is paid in this State if:

(a) the individual's service is performed entirely within the State;

(b) the individual's service is performed both within and without the State, but the service performed without the State is incidental to the individual's service within the State; or

(c) some of the service is performed in the State and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the State, or (2) the base of operations or the place from which the service is directed or controlled is not in any State in

which some part of the service is performed, but the individual's residence is in this State.

15. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this State during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

16. Sales of tangible personal property are in this State if:

(a) the property is delivered or shipped to a purchaser, other than the United States Government, within this State regardless of the f.o.b. point or other conditions of the sale; or

(b) the property is shipped from an office, store, warehouse, factory, or other place of storage in this State and (1) the purchaser is the United States Government or (2) the taxpayer is not taxable in the State of the purchaser.

17. Sales, other than sales of tangible personal property, are in this State if:

(a) the income-producing activity is performed in this State; or

(b) the income-producing activity is performed both in and outside this State and a greater proportion of the income-producing activity is performed in this State than in any other State, based on costs of performance.

18. If the allocation and apportionment provisions of this Article do not fairly represent the extent of the taxpayer's business activity in this State, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(a) separate accounting;

(b) the exclusion of any one or more of the factors;

(c) the inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this State; or

(d) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

## Article V. Elements of Sales and Use Tax Laws.

### Tax Credit.

1. Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another State and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the State, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.

### Exemption Certificates, Vendors May Rely.

2. Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate State or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.

## Article VI. The Commission.

### Organization and Management.

1. (a) The Multistate Tax Commission is hereby established. It shall be composed of one 'member' from each party State who shall be the head of the State agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the State shall provide by law for the selection of the Commission member from the heads of the relevant agencies. State law may provide that a member of the Commission be represented by an alternate but only if there is on file with the Commission written notification of the designation and identity of the alternate. The attorney general of each party State or his designee, or other counsel if the laws of the party State specifically provide, shall be entitled to attend the meetings of the Commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph 1 (e) of this Article.

(b) Each party State shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the Commission member from that State.

(c) Each member shall be entitled to one vote. The Commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The Commission shall adopt an official seal to be used as it may provide.

(e) The Commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its Executive Committee may determine. The Commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(f) The Commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The Commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The executive director shall be secretary of the Commission. The Commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party State, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the Commission and shall fix their duties and compensation. The Commission bylaws shall provide for personnel policies and programs.

(h) The Commission may borrow, accept or contract for the services of personnel from any State, the United States, or any other governmental entity.

(i) The Commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials

and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The Commission may establish one or more offices for the transacting of its business.

(k) The Commission shall adopt bylaws for the conduct of its business. The Commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party States.

(l) The Commission annually shall make to the Governor and legislature of each party State a report covering its activities for the preceding year. Any donation or grant accepted by the Commission or services borrowed shall be reported in the annual report of the Commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The Commission may make additional reports as it may deem desirable.

#### Committees.

2. (a) To assist in the conduct of its business when the full Commission is not meeting, the Commission shall have an Executive Committee of seven members, including the chairman, vice chairman, treasurer and four other members elected annually by the Commission. The Executive Committee, subject to the provisions of this compact and consistent with the policies of the Commission, shall function as provided in the bylaws of the Commission.

(b) The Commission may establish advisory and technical committees, membership on which may include private persons and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the Commission, including problems of special interest to any party State and problems dealing with particular types of taxes.

(c) The Commission may establish such additional committees as its bylaws may provide.

#### Powers.

3. In addition to powers conferred elsewhere in this compact, the Commission shall have power to:

(a) Study state and local tax systems and particular types of state and local taxes.

(b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.

(c) Compile and publish information as in its judgment would assist the party States in implementation of the compact and taxpayers in complying with state and local tax laws.

(d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

Finance.

4. (a) The Commission shall submit to the Governor or designated officer or officers of each party State a budget of its estimated expenditures for such period as may be required by the laws of that State for presentation to the legislature thereof.

(b) Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party States. The total amount of appropriations requested under any such budget shall be apportioned among the party States as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party State and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. In determining such amounts, the Commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party States. Each of the Commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this paragraph.

(c) The Commission shall not pledge the credit of any party State. The Commission may meet any of its obligations in whole or in part with funds available to it under paragraph (1) (i) of this Article: provided that the Commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it under paragraph 1 (i), the Commission shall not incur any obligation prior to the allotment of funds by the party States adequate to meet the same.

(d) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

(e) The accounts of the Commission shall be open at any reasonable time for inspection by duly constituted officers of the party States and by any persons authorized by the Commission.

(f) Nothing contained in this Article shall be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

**Article VII. Uniform Regulations and Forms.**

1. Whenever any two or more party States, or subdivisions of party States, have uniform or similar provisions of law relating to an income tax, capital stock tax, gross receipts tax, sales or use tax, the Commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms.

The Commission may also act with respect to the provisions of Article IV of this compact.

2. Prior to the adoption of any regulation, the Commission shall:

(a) As provided in its bylaws, hold at least one public hearing on due notice to all affected party States and subdivisions thereof and to all taxpayers and other persons who have made timely request of the Commission for advance notice of its regulation-making proceedings.

(b) Afford all affected party States and subdivisions and interested persons an opportunity to submit relevant written data and views, which shall be considered fully by the Commission.

3. The Commission shall submit any regulations adopted by it to the appropriate officials of all party States and subdivisions to which they might apply. Each such State and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

### Article VIII. Interstate Audits.

1. This Article shall be in force only in those party States that specifically provide therefor by statute.

2. Any party State or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records or other documents may request the Commission to perform the audit on its behalf. In responding to the request, the Commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and any relevant property or stock of merchandise. The Commission may enter into agreements with party States or their subdivisions for assistance in performance of the audit. The Commission shall make charges, to be paid by the State or local governments or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

3. The Commission may require the attendance of any person within the State where it is conducting an audit or part thereof at a time and place fixed by it within such State for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the Commission within the State of which he is a resident; provided that such State has adopted this Article.

4. The Commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this Article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the Commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the State or subdivision on behalf of which the audit is being made or a court in the State in which the object of the order being sought is situated. The provisions of this paragraph apply only to courts in a State that has adopted this Article.

5. The Commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable or satisfactory performance. If the Commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party States or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the Commission.

6. Information obtained by any audit pursuant to this Article shall be confidential and available only for tax purposes to party States, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the States or subdivisions on whose account the Commission performs the audit, and only through the appropriate agencies or officers of such States or subdivisions. Nothing in this Article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

7. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party States or any of their subdivisions are not superseded or invalidated by this Article.

8. In no event shall the Commission make any charge against a taxpayer for an audit.

9. As used in this Article, "tax", in addition to the meaning ascribed to it in Article II, means any tax or license fee imposed in whole or in part for revenue purposes.

#### **Article IX. Arbitration.**

1. Whenever the Commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this Article in effect, notwithstanding the provisions of Article VII.

2. The Commission shall select and maintain an Arbitration Panel composed of officers and employees of State and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

3. Whenever a taxpayer who has elected to employ Article IV, or whenever the laws of the party State or subdivision thereof are substantially identical with the relevant provisions of Article IV, the taxpayer, by written notice to the Commission and to each party State or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the State or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party States or subdivisions thereof. Each party State and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

4. The Arbitration Board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the Commission's Arbitration Panel. If the agencies involved are unable to agree

on the person to be selected by them, such person shall be selected by lot from the total membership of the Arbitration Panel. The two persons selected for the Board in the manner provided by the foregoing provisions of this paragraph shall jointly select the third member of the Board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the Arbitration Panel. No member of a Board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

5. The Board may sit in any State or subdivision party to the proceeding, in the State of the taxpayer's incorporation, residence or domicile, in any State where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

6. The Board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The Board shall act by majority vote.

7. The Board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the Board. In case of failure to obey a subpoena, and upon application by the Board, any judge of a court of competent jurisdiction of the State in which the Board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in States that have adopted this Article.

8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the Board in such manner as it may determine. The Commission shall fix a schedule of compensation for members of Arbitration Boards and of other allowable expenses and costs. No officer or employee of a State or local government who serves as a member of a Board shall be entitled to compensation therefor unless he is required on account of his service to forego the regular compensation attaching to his public employment, but any such Board member shall be entitled to expenses.

9. The Board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the Board shall be final for purposes of making the apportionment or allocation, but for no other purpose.

10. The Board shall file with the Commission and with each tax agency represented in the proceeding: the determination of the Board; the Board's written statement of its reasons therefor; the record of the Board's proceedings; and any other documents required by the arbitration rules of the Commission to be filed.

11. The Commission shall publish the determinations of Boards together with the statements of the reasons therefor.

12. The Commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the States.

13. Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceeding.

#### **Article X. Entry Into Force and Withdrawal.**

1. This Compact shall enter into force when enacted into law by any seven States. Thereafter, this compact shall become effective as to any other State upon its enactment thereof. The Commission shall arrange for notification of all party States whenever there is a new enactment of the compact.

2. Any party State may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall effect any liability already incurred by or chargeable to a party State prior to the time of such withdrawal.

3. No proceeding commenced before an Arbitration Board prior to the withdrawal of a State and to which the withdrawing State or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the Board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.

#### **Article XI. Effect on Other Laws and Jurisdiction.**

Nothing in this compact shall be construed to:

(a) Affect the power of any State or subdivision thereof to fix rates of taxation, except that a party State shall be obligated to implement Article III 2 of this Compact.

(b) Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax; provided that the definition of "tax" in Article VIII 9 may apply for the purposes of that Article and the Commission's powers of study and recommendation pursuant Article VI 3 may apply.

(c) Withdraw or limit the jurisdiction of any State or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.

(d) Supersede or limit the jurisdiction of any court of the United States.

#### **Article XII. Construction and Severability.**

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence or provisions of this Compact is declared to be contrary to the constitution of any State or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected there-

by. If this Compact shall be held contrary to the constitution of any State participating therein, the Compact shall remain in full force and effect as to the remaining party States and in full force and effect as to the State affected as to all severable matters."

SECTION 3. The director of taxation, or his designee, shall represent the State on the Multistate Tax Commission. The attorney general, or his designee, shall act as an alternate for the director of taxation.

SECTION 4. Article VIII of the Multistate Compact relating to interstate audits shall be in force in and with respect to this State.

SECTION 5. There is hereby appropriated out of the general revenues of the State of Hawaii, not otherwise appropriated, the sum of \$8,600.00, or so much thereof as is necessary, to the director of taxation, for the purpose of defraying the cost of membership fees in the Multistate Tax Commission, travel and living allowances, and other items related to the Multistate Tax Compact.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 7, 1968.)

### ACT 31

H. B. 178.

A Bill for an Act Making an Appropriation to Supplement the Sum Heretofore Appropriated Under Act 125 of the Session Laws of Hawaii (1967) for the Study, Review and Revision of the Criminal, Correctional, and Juvenile Laws of the State of Hawaii.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

In 1966, the House of Representatives (H.R. 139) and the Senate (S.R. 88, S.D. 1) each requested that the Judicial Council conduct a "comprehensive study of our existing criminal and correctional statutes with a view to determining the areas in which revisions are required or desirable." To finance the study, Act 29, Session Laws of Hawaii (1966), directed the revisor of statutes to enter into a contract with the Judicial Council for a comprehensive study, review, and revision of the State criminal, juvenile and correctional law, and the sum of \$20,000 was allocated for that purpose. The study by the Judicial Council indicated that a comprehensive revision of the penal laws of Hawaii was urgently needed. The Council's report estimated that the project would take three years to complete and would cost, in addition to the balance then remaining from Act 29 monies, approximately \$140,000. In 1967, a bill for an appropriation in that amount was introduced and supported by the committees to which it was referred. (H.B. 174, Senate Standing Committee Report No. 858, House Standing Committee Report No. 576

(1967)). However, the amount ultimately appropriated for the penal law revision project was only \$40,000. (H.B. 174, S.D. 1, Act 125 (1967)). This Act supplements the funds appropriated by Act 125 (1967). The sum hereby appropriated is urgently needed in order to complete the work of the penal law revision project in the scope initially outlined and in the time estimated. The sum must be appropriated at this session of the Legislature to insure that work presently being undertaken (revision of substantive penal law) is correlated with the work that remains to be done (treatment, correctional, and procedural law).

**SECTION 2.** There is hereby appropriated out of the general revenues of the State of Hawaii the sum of \$70,000, or so much thereof as may be necessary, to supplement the sum heretofore appropriated under Act 125 of the Session Laws of Hawaii (1967) for study, review, and revision of the criminal, correctional, and juvenile laws of the State of Hawaii.

**SECTION 3.** The expenditure of monies under this Act and under Act 125, Session Laws of Hawaii (1967), shall not be subject to the limitations of Chapter 3 (civil service law), chapter 4 (compensation law), and section 5-1 (Residence of public employees), of the Revised Laws of Hawaii (1955), as amended.

**SECTION 4.** The sum appropriated shall be expended by the Judicial Branch.

**SECTION 5.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

**ACT 32**

H. B. 203.

A Bill for an Act Relating to Exemption from Real Property Taxation for Low and Moderate Income Housing Projects by Amending Chapter 128 and Section 115-28(a), Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

There is a critical shortage of adequate housing for low and moderate income families in Hawaii. Private nonprofit organizations are attempting to alleviate this situation by developing housing projects for such families. The success of such projects is greatly dependent upon government assistance such as mortgage insurance under the provisions of section 221(d)(3) of the National Housing Act and exemption from real property taxes. By Act 135 of the Session Laws of Hawaii 1967, the Legislature exempted from property taxes, real property developed, owned, and operated for housing projects for low and moderate income families by nonprofit organizations, provided such projects are regulated by a federal or state agency and such organizations

are mortgagors qualified for a mortgage loan insured under section 221(d)(3) of the National Housing Act. Said Act 135 was implemented by the rules and regulations of the Director of Taxation which require, among other things, that the nonprofit organization file its claim for exemption from property taxes and a copy of the Regulatory Agreement between such organization and the Federal Housing Administration on or before December 31 immediately preceding the year for which exemption is claimed. In most instances the nonprofit organization is not expected to acquire the title to the property for which real property tax exemption is sought prior to the time when such nonprofit organization qualified as a mortgagor of a mortgage loan insured under said section 221(d)(3) as expressly required by said Act 135, and the acquisition of the property and the statutory qualification will occur simultaneously. Moreover, the Regulatory Agreement made between the mortgagor and the Commissioner of the Federal Housing Administration is executed upon the initial or final endorsement for mortgage insurance for the mortgage loan, i.e., the initial or final closing. Under the present laws of the State of Hawaii and the present rules and regulations of the Director of Taxation, a nonprofit organization, otherwise qualified to secure the benefits provided for in said Act 135, may be required to pay real property taxes for the period from the acquisition of the title to the real property until the end of the year during which such property is acquired. The resultant imposition of real property taxes will require an increase in rentals payable by families of low and moderate income or may so adversely affect the economies of the project as to cause such proposed housing projects to be abandoned. Such results are totally inconsistent and in opposition to the purposes for which said Act 135 was enacted.

For the foregoing reasons, it is deemed necessary in the public interest to enact this Bill.

SECTION 2. Chapter 128 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section thereto to be appropriately numbered, and the revisor of statutes is further authorized to insert the appropriate section number of chapter 128 therein in lieu of "Section 1 of Act 135 of the Session Laws of Hawaii 1967" whenever the same appears hereinafter, to read as follows:

"§ 128-..... Claim for exemption. (a) Notwithstanding any provision in this chapter to the contrary, any real property exempt from property taxes under the provisions of section 1 of Act 135 of the Session Laws of Hawaii 1967, shall be exempt from property taxes from the date such property is qualified for such exemption, provided a claim for exemption is filed with the assessor within 60 days of the date of such qualification. As used herein, the date of such qualification shall be the date the mortgage or mortgages made by a nonprofit corporation or association and insured under the provisions of section 221(d)(3) of the National Housing Act are filed for recording with the registrar of the bureau of conveyances or the assistant registrar of the land court of the State of Hawaii, whichever is applicable.

(b) After the initial year of such qualification, the claim for exemption

shall be filed in the manner provided by applicable law or rule or regulation.

(c) In the event property taxes have been paid to the State in advance for real property subsequently becoming qualified for such exemption, the director of taxation shall refund to the nonprofit corporation or association owning such property that portion of the taxes attributable to and paid for the period after such qualification."

SECTION 3. Section 115-28(a), Revised Laws of Hawaii 1955, as amended, is amended by adding a new paragraph to be numbered (3) and renumbering paragraph (3) as it presently appears therein as paragraph (4), and the revisor of statutes is authorized to insert the appropriate section number of chapter 128 therein in lieu of "Section 1 of Act 135 of the Session Laws of Hawaii 1967" wherever the same appears hereinafter, to read as follows:

"Whenever any real property is deemed by the director of taxation to be exempt from taxation under the provisions of Section 1 of Act 135 of the Session Laws of Hawaii 1967, if there shall have been paid prior to the effective date of such exemption any real property taxes applicable to the period following the effective date of such exemption, there shall be refunded to the nonprofit corporation or association owning such property in the manner provided in subsection (d) of this section all amounts representing such real property taxes theretofore paid on account of such property and attributable to the period following the effective date of such exemption."

SECTION 4. This Act shall take effect upon approval and shall be effective as of January 1, 1968.

(Approved May 7, 1968.)

**ACT 33**

H. B. 334.

A Bill for an Act Relating to the Court Trustee in Matrimonial Actions and Amending Section 324-39.5, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Section 324-39.5, Revised Laws of Hawaii 1955, provides for the enforcement of maintenance and alimony through a court trustee. Subsequent thereto, the supreme court approved rule 33 of the first circuit court relating to the same subject. Rule 33 is broader than section 324-39.5. Thus there is a possibility of confusion and dispute which should be eliminated. Clarification of inconsistencies in the law is always a matter of urgency.

SECTION 2. Section 324-39.5, Revised Laws of Hawaii 1955, as amended, shall be appropriately renumbered as part of chapter 333, and is amended to read as follows:

**"§ 333. . Determination and enforcement of support orders.** During the course of any proceeding in which the court is considering making or modifying an order for spouse support or child support, the court on its own motion or on motion of any interested person may refer the problem to the court trustee for investigation.

At any time when a support order payable through the court appears or is alleged to be inequitable or unsuitable, the court trustee on his own motion may, and when directed by the court shall, institute an investigation into the situation.

In connection with any such referral or inquiry, the court trustee shall investigate all matters pertinent to the determination of just and suitable allowances for the spouse and children, and shall submit his findings and recommendations in writing to the court.

The written reports of the court trustee shall be available to interested parties and may be received in evidence if no objection is made, or, if objection is made, may be received in evidence provided the person or persons responsible for the reports are available for cross-examination as to any matter which has been investigated. When a report is received in evidence, any party may introduce other evidence supplementing, supporting, modifying or rebutting the whole or any part of the report.

Every order for spouse support or child support which provides for payments to be made through the court may be enforced pursuant to this section.

The court trustee shall maintain files of the support orders and papers referred to him, shall maintain follow-up records to determine whether the payments ordered therein are being made, may make oral or written demand for overdue payments, and, in the event of a default and after such time as the court trustee may deem reasonable, may, and when directed by the court shall institute contempt of court proceedings for the purpose of enforcing support orders.

The court trustee may utilize the services of public or private social agencies in conducting the investigations and making the reports and recommendations occasioned by this rule. Reports of such agencies may be received in evidence under the same conditions as reports of the court trustee.

Court costs, service fees, and the expenses of any investigation conducted by the court trustee may, in the discretion of the court, be assessed wholly or partially against the party ordered to make the support payments.

As used in this section, support includes amounts ordered to be paid as reimbursement or advancement for expenses incurred or to be incurred by or on behalf of a spouse or child, including attorney's fees, court costs, and other expenses in connection with relevant litigation, unpaid amounts due under existing or prior support orders, and payments required by a valid sentence, order, judgment, or decree under chapter 324, chapter 328, chapter 329, chapter 332, or section 333-27."

### **SECTION 3. This Act shall take effect upon its approval.**

(Approved May 7, 1968.)

**ACT 34**

H. B. 311.

**A Bill for an Act Amending Section 50-23, Revised Laws of Hawaii 1955, as Amended, Relating to Compensation for Labor Performed by Patients at Hansen's Disease Hospitals, and Making an Appropriation Therefor.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Labor and services essential to the continued operation and maintenance of state hospitals, settlements and places for the care and treatment of persons suffering from Hansen's disease, are performed, in large measure, by patients, temporary release patients and discharged patients therefrom, compensation for which, being less than otherwise required to obtain comparable services of nonpatient employees, results in substantial savings to the State. However, such services have not been compensated commensurate with the increased cost of living and rising public revenues. It is in the public interest that a pay increase be immediately given to engender further and continued participation by patient employees at Hansen's disease facilities, and to maintain their morale and efficiency at a high level.

**SECTION 2.** Section 50-23, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting therefrom the figures "70" and "60" appearing in the first paragraph and substituting therefor the figures "75" and "65", respectively.

**SECTION 3.** There is hereby appropriated from the general revenues of the State of Hawaii, not otherwise appropriated, the sum of \$7,095.00 to be expended during the period 1968-69 to pay the increase in pay provided by this section.

**SECTION 4.** This Act shall take effect on July 1, 1968.

(Approved May 7, 1968.)

**ACT 35**

H. B. 336.

**A Bill for an Act Relating to Marriage and Repealing Section 323-8, Revised Laws of Hawaii 1955.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

As Hawaii becomes an "increasingly favored place in which to get married," the laws relating to marriage come under close scrutiny. Section 323-8,

Revised Laws of Hawaii 1955, requires a divorced person to produce the original or a certified copy of every prior divorce decree to qualify for a marriage license. Relief is possible through a petition to a circuit judge. The department of health, which administers the marriage licensing laws, and the family court, which hears the petitions for relief from this law, both agree that the law serves no useful purpose and should be repealed. The removal of a useless regulation is always an urgent matter. Additionally, the result will be to reduce the workload at both the marriage license bureau and the family court, which reflects upon budgetary considerations. It is urgent and in the public interest to repeal section 323-8.

SECTION 2. Section 323-8, Revised Laws of Hawaii 1955, is repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1968.)

### ACT 36

H. B. 497.

A Bill for an Act Relating to the Liability for Expenses of Persons Committed to Waimano Training School and Hospital.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Title XIX of the Social Security Act provides matching funds for medical assistance to indigents and medical indigents. An additional amount of federal matching funds estimated at \$500,000 per year can be brought into the State if payments for care of the indigent and medically indigent individuals who are patients at Waimano Training School and Hospital are included in the Medical Assistance Program.

To enable the department of social services to implement this important phase of the Medical Assistance Program, it will be necessary to amend section 82-8, Revised Laws of Hawaii 1955, as amended. This will allow the State to conform to federal requirements for this program.

SECTION 2. Section 82-8, Revised Laws of Hawaii 1955, is amended to read as follows:

**“§ 82.8. Payments for care and treatment of persons committed; liability of persons committed.** A parent, guardian or other person liable for the support of any person committed to the Waimano training school and hospital shall pay such sums as may be determined by the department of health for the care and treatment of such person. The parent or guardian of a minor committed to the Waimano training school and hospital shall be liable for such care and treatment and such liability shall continue until the person committed has reached the age of majority. Every person committed to the

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Waimano training school and hospital and any property of his estate not exempt from execution, shall be liable for the expense of his care and treatment. The attorney general, whenever required by the director, shall take such steps as may be appropriate, by suit if necessary, to enforce any liability established by this section. The attorney general may designate any appropriate county attorney to act in his behalf in any such enforcement proceeding.

"With the approval of the governor and from the funds appropriated to the department of health for the care and treatment of mentally retarded persons, the department of health may transfer from time to time to the department of social services such amounts as may be requested by the department of social services to match federal funds available under Title XIX of the Social Security Act to assist any indigent or medically indigent person to pay for the care and treatment of any person committed to the Waimano training school and hospital. With the approval of the governor, the department of health may deposit any portion of the payments received by it into the appropriation from which the transfers were made."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

**ACT 37**

**H. B. 499.**

A Bill for an Act to Amend Item 3(c), Subsection B, Section 1, of Act 201, Session Laws of Hawaii 1963, as Amended by Act 31, Session Laws of Hawaii 1964.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION —.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The improvements to Kuhio Beach will obviously affect shoreline boundaries of not only those private properties bounded by Kuhio Beach and the Royal Hawaiian Hotel but also those private properties along the entire length of Waikiki Beach from the Elks Club at one end to Duke Kahnamoku Beach on the other.

The attorney general should be given authorization to negotiate with the owners of all private properties along Waikiki Beach to fix the shoreline boundaries of said private properties so that no accretion will accrue thereto as a result of said improvements. The proposed amendment herein to Act 201, Session Laws of Hawaii 1963, as amended, by Act 31, Session Laws of Hawaii 1964, is immediately necessary in order that the much needed improvements to Kuhio Beach may proceed without further delay.

**SECTION 1.** Purpose. Item 3(c), subsection B, section 1, of Act 201, Session Laws of Hawaii 1963, as amended by Act 31, Session Laws of Hawaii 1964, hereinafter called "Act 201", authorizes \$540,000 for improvements to Kuhio Beach, Honolulu, between the Kapahulu storm drain

and Waikiki Beach Center. Act 201 provides that the improvements shall not be constructed until the owners of at least two-thirds of the private property between the Diamond Head boundary of Kuhio Beach and the Ewa boundary of Royal Hawaiian Hotel enter into agreements with the State of Hawaii to fix the shoreline boundaries of their properties so that no accretion to such private properties shall accrue.

Agreements have been entered into by the State and all of the owners of such properties in accordance with the mandate mentioned above. However, construction of improvements to Kuhio Beach may affect the shoreline boundaries of properties other than those within the designated boundaries and, therefore, the attorney general should be authorized to negotiate for agreements fixing shoreline boundaries with owners of all properties along Waikiki Beach from the Diamond Head boundary of Elks Club to the Ewa boundary of Duke Kahanamoku Beach and to condemn the littoral rights where owners do not enter into such agreements.

**SECTION 2.** Item 3(c), subsection B, section 1, of Act 201, Session Laws of Hawaii 1963, as amended by Act 31, Session Laws of Hawaii 1964, is amended to read as follows:

"c. Kuhio Beach Improvements, Honolulu ..... \$540,000.  
Rehabilitate existing beach between Kapahulu storm drain and the Waikiki Beach Center in accordance with federally approved plans.

The attorney general shall, where necessary, negotiate with the owners of properties along Waikiki Beach located between the Diamond Head boundary of Elks Club and the Ewa boundary of Duke Kahanamoku Beach for agreements to fix the boundaries of their properties so that no accretion shall accrue except as may be provided in the agreements. The attorney general shall draft the agreements including such terms, covenants and conditions as he deems necessary. Any agreement shall not be binding except upon the approval of the governor. The attorney general may condemn, when necessary, the littoral rights of owners who refuse to enter into the agreements and whose properties may enjoy accretion because of the project, using the funds appropriated under this Act."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

**ACT 38**

**H. B. 470.**

A Bill for an Act Relating to Public School Facilities.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:  
Prior to Act 97, Session Laws of Hawaii 1955, each county in the State was responsible for the construction of school improvements, maintenance of

**ACT 39**

public school facilities and grounds and the transportation of school children within the county. Act 97 stripped the counties of the responsibility involving this whole area.

Under existing law, counties are precluded from doing anything in this area, even to spend their own funds if they so desire. This corrective legislation is urgently needed in order to allow counties to go above and beyond the State's standards and provide educational facilities as good as the people of the counties want and are willing to pay for. Allowing local communities to go above and beyond established minimums to provide for their people encourages the best features of democratic government.

**SECTION 2.** Act 97, Session Laws of Hawaii 1965, as amended, is hereby further amended by amending section 1, subsection (1) to read as follows:

"(1) the planning, construction, improvement and maintenance of public school facilities and grounds and the transportation of school children; provided, that nothing in this subsection shall preclude the several counties from expending their own funds to supplement state funds."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 7, 1968.)

**ACT 39**

S. B. 149.

A Bill for an Act Relating to Holidays and Amending Section 1-43, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

This measure is urgently needed to permit the observance of three-day weekends by prescribing that certain holidays which fall in the middle of the week shall be observed on a Friday or Monday. Changing the date of observance of such holidays would result in vast improvements to employees' morale and in greater efficiency by permitting an uninterrupted workweek. It is urgent and in the public interest that the legislature take immediate action to improve the morale of employees and provide the opportunity for increased efficiency.

**SECTION 2.** The third paragraph of section 1-33 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"If any of the State's legal holidays fall on Sunday, the following Monday shall be observed as a holiday. If such a day falls on Saturday and is also observed as a national holiday, the preceding Friday shall be observed as a holiday; provided that if any of the following holidays fall on Tuesday, Wednesday or Thursday, it shall be observed on the Monday preceding the holiday:

The twenty-second day of February, to be known as Presidents' Day.  
The thirtieth of May, to be known as Memorial Day.  
The eleventh day of November, to be known as Veterans' Day."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 40**

S. B. 30.

A Bill for an Act Relating to Public Improvements and the Financing Thereof, Making Appropriations for Public Improvements and Plans Related Thereto Out of General Revenues, Special Funds, General Obligation and Revenue Bond Funds and Grants; and Providing for the Issuance of General Obligation and Revenue Bonds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The following sums, or so much thereof as shall be sufficient to finance the projects herein contained, are hereby appropriated, or authorized, as the case may be, from moneys in the treasury received from general revenues, special funds, general obligation bond funds, harbor revenue bond funds, airport revenue bond funds, University of Hawaii revenue bond funds, Hawaii Housing Authority bond funds, and grants to be expended by the department of accounting and general services, unless otherwise specified in the subsection. The governor, in his discretion, is authorized to use either general fund revenues or general obligation bond funds to finance those projects where the method of funding is not designated and the total sum of general obligation bond funds and general fund revenues so used shall not exceed \$89,619,000. The sum of \$10,000,000 cash from general fund revenues shall, however, be used to finance those department of education projects herein contained as the governor may designate. The total sum of \$7,000,000 in items C-18, C-19, C-28 and C-35a appropriated for state highway projects to be approved by the governor shall also be financed from cash received from general fund revenues. General obligation bonds may be issued as provided by law to yield the amount that may be necessary to finance projects herein that do not have funding specifically designated provided that the sum total of the general fund revenues used and general obligation bonds (including general obligation bonds with debt service costs to be paid from special funds) so issued shall not exceed \$89,619,000. The letter symbols used after the specific project appropriations, if any, indicate the source of financing and shall have the following meaning: (a) general obligation bond funds with debt service costs to be paid from special funds, (s) special funds, (r) revenue bond funds, (FAI) federal aid interstate highway funds, (FAP) federal aid primary highway funds, (FAS) federal aid secondary highway funds, (FAU) federal aid urban highway funds, (FA) federal aid highway funds available for use in two or more categories, (f) other federal funds, and (x) county funds.

ACT 40

A. DEPARTMENT OF AGRICULTURE

Oahu

1. Relocation of Animal Quarantine Station, Oahu—Construction necessary to complete the relocation from Ft. Armstrong to Halawa, including virus immunization building and equipment for necropsy and station service buildings. 128,000
2. Plant Quarantine and Fumigation Facility, Honolulu, Oahu—Plans for the construction of a new Plant Quarantine and Fumigation Facility at Ft. Armstrong. 3,000

B. DEPARTMENT OF LAND AND NATURAL RESOURCES

(To be expended by the Director, Department of Land and Natural Resources)

Oahu

Land Development

1. Marks Subdivision, Nuuanu, Oahu—Plans and construction of improvements for the development of State land into houselots. 15,000 s

State Parks

2. Kahana Valley State Park, Oahu—Acquisition by installments of the entire valley in fee, completion of general development master plan and plans for the construction of first increment. 1,080,000
3. Iolani Barracks Restoration, Oahu—Completion of Iolani Barracks restoration. 150,000
4. Leeward Oahu Railway Park, Oahu—To conduct feasibility study. 10,000
- 4a. Arizona Memorial Boat Shuttle site, Oahu—Construct roofed shelter area, including seating facilities. 5,000

Maui

Fish and Game

5. Lanai Game Management and Enforcement Facilities, Lanai —Plans and construction of hunter checking station, warehouse, paved driveways and parking area. 25,000

Forestry

6. Kula Forest Reserve, Maui—Plans and construction of Kula Forest Reserve Access Road improvements. 19,000

Land Development

- 6a. Acquisition of Land at Ilio Point, Molokai. 45,000
- 6b. Wakiu House Lots, Hana, Maui—Plans for development of house lots and site for proposed relocation of Hana School. 15,000

Water Development

7. Maui County Water Project—Engineering and geologic investigation and economic analysis for the development of water resources. 50,000

State Parks

8. Palaau State Park, Molokai—Incremental development of cabins, overnight camping and picnic facilities, restrooms, utilities, water system, roads and parking areas, trails, landscaping, interpretation of natural and historical features. Provisions of a caretaker's residence to facilitate management. 100,000

Hawaii

Fish and Game

9. Hawaii Game Management Facilities, Hawaii—Incremental 30,000

	development of game management facilities, including roads, culverts and fords, game water units, range improvements, signs and markers.	(11,000 f)
<b>Forestry</b>		
10.	Forest Development and Timber Roads, Hawaii—Incremental construction of unpaved roads in several forest reserves to improve access to merchantable timber stands for reforestation, hunting, other recreation and fire protection.	30,000
<b>Water Development</b>		
11.	Honokahau Water Project, Hawaii—Plans and construction to extend and complete the water system from Kailua toward Keahole.	583,000
12.	Kohala-Hamakua Water Development, Hawaii—Development of additional water sources in the Kohala Mountains through the construction of diversion works, storage facilities and expansion of water treatment facilities.	500,000
12a.	Water Sources Investigation, Island of Hawaii, Engineering and Geological Investigation including drilling of exploratory wells for the development of water sources.	250,000
<b>Land Development</b>		
12b.	House lots, Hawaii—Plans for house lot development of the Kurtistown school site.	5,000
<b>Flood Control</b>		
13.	Kona Watershed Project, Hawaii—Construction of channel, culvert and bridges for flood control, including land acquisition and related measures.	131,000 431,000 f
13a.	Drainage Ditch, Areas 1 and 2 Near Prospect and Pensacola Streets, Oahu—Cleaning, grubbing, excavation and lining of State-owned drainage ditch.	55,000
<b>State Parks</b>		
13b.	South Kona Historic and Recreation Area, Hawaii—General development and construction plans, including historic research, archaeological surveys, and historic site listings.	55,000
13c.	Wailuku River State Recreation Area, Hawaii—General development and construction plans for the construction of trails, overlooks, roads, parking areas, sanitary facilities and picnic areas.	60,000
<b>Kauai</b>		
<b>Fish and Game</b>		
14.	Kauai Game Management Facilities, Kauai—Incremental development of game management facilities, including game water units, signs and markers.	3,000 (2,000 f)
<b>Forestry</b>		
15.	Forest Development Trails, Kauai—to provide quick access to forest planting areas, forest fire protection, and increased outdoor recreation sites.	27,000
16.	Forest Development—Shelters, Kauai—Incremental development of trail and roadside shelter units consisting of pit toilets, open shelter units, tables and benches for picnic and overnight trail stops.	10,000
<b>Land Development</b>		
16a.	Hanalei River Project—to supplement Act 195/61 appropriation to complete the clearing and snagging of river and blasting, clearing of coral heads and obstructions at	25,000

mouth of Hanalei River and construct necessary improvements.

#### **State Parks**

- |   |         |
|---|---------|
| 17. Kokee-Waimea Canyon-Na Pali-Polihale State Park, Kauai<br>—Incremental development, including acquisition of private lands in Na Pali area. | 250,000 |
| 17a. Russian Fort, Kauai—Plans, acquisition, restoration, interpretation and development. (To supplement prior appropriation)                   | 32,000  |

#### **Water Development**

- |   |         |
|---|---------|
| 18. Lihue Water System, Kauai—Incremental development of Lihue Water System, including the development of source and the construction of storage and transmission facilities.           | 60,000  |
| 19. Wailua-Kapaa Water System, Kauai—Incremental development of Lihue Water System, including the design and construction of storage tanks, well and pump, and transmission facilities. | 100,000 |
| 20. Lawai Water System, Kauai—Plans and construction of Lawai transmission main.  | 9,000   |
| 20a. Haena Water System, Kauai—Plans and construction for water system, including sources and development pipelines, tanks and land acquisition.  | 80,000  |
| 20b. Wainiha and Hanalei Irrigation Water Intakes—Plans and construction for improvements to water irrigation systems and related costs.  | 14,000  |

In connection with all state park projects in section 1 the board of land and natural resources may use its present staff, summer student help, and may employ temporary personnel who shall be exempted from the provisions of chapter 3 and 4, R.L.H. 1955, as amended, and who are unemployed and are duly registered as unemployed with the department of labor and industrial relations, to the maximum practical extent. The board may upon approval of the governor enter into contract for the necessary equipment, supplies, materials, labor, professional and technical assistance to be used in the project by negotiations.

#### **C. DEPARTMENT OF TRANSPORTATION**

(To be expended by the Director, Department of Transportation)

##### **Statewide**

##### **Airports**

- |   |           |
|---|-----------|
| 1. Airport Planning, Statewide—Detailed long-range master plans for Keahole, Hilo, Kahului, Lihue, and Molokai Airports, including preliminary engineering needs. | 140,000 s |
|---|-----------|

##### **Harbors—Commercial**

- |   |          |
|---|----------|
| 2. Statewide Harbor Planning, Statewide—Continuing harbor studies, research, and advance planning of harbor and terminal facilities on all islands. | 30,000 s |
|---|----------|

##### **Highways**

- |  |             |
|--|-------------|
| 3. Federal-Aid Highway Route Planning Traffic, Finance, Road Use, Road Life and Economic Studies, Statewide—Highway studies and research and advance planning of Federal-Aid Highway projects required to qualify the State to receive Federal-Aid on specific projects. | 390,000 s   |
|  | 658,000 FAI |
|  | 32,000 FAP  |
|  | 21,000 FAS  |
|  | 13,000 FAU  |
| 4. Miscellaneous Improvements to Existing Intersections and Highway Facilities, Statewide.   | 55,000 s    |
| 5. Miscellaneous Drainage Improvements to Existing State Highways, Statewide.  | 23,000 FAP  |
| 6. Clean-up of Highway Rights-of-Way Requirements, Statewide.  | 150,000 s   |
|  | 250,000 s   |

**Oahu****Airports**

7. Honolulu International Airport, Honolulu, Oahu—Construction of alterations and improvements at Honolulu International Airport. 25,000,000 r
8. Oahu General Aviation Airport, Oahu—Construction of runway, apron, hangars, and other related improvements. (Funds to be supplemented by any unexpended balances from appropriations made in Items C-IV-1 of Act 195, SLH 1961 and B-2-b of Act 52, SLH 1964). 380,000 r

**Harbors—Commercial**

9. Incremental Acquisition of Private Properties and Facilities, Honolulu Harbor, Honolulu, Oahu. 8,483,000
10. Honolulu Harbor Improvements, Honolulu, Oahu—Incremental relocation and construction of additional improvements in recently acquired waterfront properties. 100,000 s
11. Snug Harbor, Honolulu, Oahu—Relocation of inter-island barge terminal from Pier 24-26 to Snug Harbor, including construction of piers, shed, and other improvements. 2,200,000 r  
100,000 s
12. Kewalo Basin Development, Honolulu, Oahu—Improvements and expansion of facilities at Kewalo Basin, including improvements to lighting system, wharf extension, wave absorbers, study and plans for additional fishing and charter berths by creating second basin and other improvements. 94,000 s  
168,000 f
13. Transient Vessel Mooring Facilities, Honolulu Harbor, Oahu. 95,000 s
14. Barbers Point Harbor Development, Oahu—Plans for development of a deep-water port for Oahu. 160,000 f
- 14a. Sand Island Dry Dock. 750,000 r

**Harbors—Small Boat**

15. Pokai Bay Boat Harbor Improvements, Oahu—Extension of launching ramp, walkway, and other improvements. 4,000
16. Barbers Point Light Draft Harbor, Oahu—Plans for dredging of channel, berthing area; land acquisition, constructing bulkhead wall, catwalks for about 90 craft, comfort station, utilities, and other improvements. 8,000 f
- 16a. Maunalua Small Boat Harbor. 50,000

**Harbors—Beach Erosion and Others**

17. Waikiki Beach Erosion Control, Oahu—Restoration of Waikiki Beach, commencing at Duke Kahanamoku Beach to Elks Club, including the placement of coral fill covered with sand and the construction of new groins. 86,000 f

**Highways**

18. Interstate Route H-1—East of Kunia Interchange to East of Waiawa Interchange, Oahu—Complete construction of divided highway, including the Waiawa Interchange, from east of Kunia Interchange to east of Waiawa Interchange. 1,000,000  
533,000 a  
8,684,000 FAI
19. Interstate Route H-1—West of Waiau Interchange to East of Halawa Interchange, Oahu—Complete construction of divided highway, including the Waiau and Halawa Interchanges, from west of the Waiau Interchange to east of the Halawa Interchange. 1,000,000  
4,293,000 a  
29,994,000 FAI
20. Interstate Route H-1—Middle Street, Separation to Koko Head Avenue, Honolulu—Safety improvements along existing Lunaililo Freeway from Middle Street Separation to Koko Head Avenue. (Funds to be supplemented by remaining balances from Items D-24 of Act 195/65 and II-C-21 of Act 38/66.) 50,000 a

21.	Interstate Route H-1—East of Halawa Interchange to Middle Street Separation, Oahu—Incremental construction of divided highway, including the Pearl Harbor, Airport, and Keehi Interchanges, from east of Halawa Interchange to Middle Street Separation.	266,000 a 1,506,000 FAI
22.	Interstate Route H-3—Junction at H-1 to Kaneohe Marine Corps Air Station, Oahu—Construction of divided highway from Junction at H-1 to Kaneohe Marine Corps Air Station.	2,013,000 a 11,407,000 FAI
23.	Kalanianaole Highway Widening, Oahu—Incremental construction of additional lanes from Ainakoa Avenue toward Hawaii-Kai, for inbound and outbound direction.	146,000 a
23a.	Kamehameha Highway, Oahu—Waimalu pedestrian overpass.	130,000
24.	Mokapu Saddle Road, Oahu—Complete construction of divided highway from Kaneohe Bay Drive to existing Mokapu Boulevard, including connections to Kailua Interchange on Interstate Route H-3.	538,000 a 440,000 FAS
25.	Moanalua Road Improvements—Aiea toward Middle Street, Oahu—Improvement of existing four-lane divided highway from Aiea to Middle Street.	1,816,000 a 1,486,000 FAP
26.	Kamehameha Highway Improvements, Aiea Interchange to Pearl Harbor Spur, Oahu—Complete widening of existing four-lane divided highway by adding a lane in the inbound direction.	408,000 a 332,000 FAP
27.	Farrington Highway Improvements—Between Piliokoe Gulch and Kaena Point, Oahu—Incremental construction towards Kaena Point.	1,105,000 a
28.	Farrington Highway, Makua via Kaena Point to Dillingham Air Force Base, Mokuleia, Oahu—Plans, construction and land acquisition.	671,500
29.	Intersection Improvement—Kamehameha Highway at Whitmore Avenue, Oahu—Intersection improvement.	90,000 s
30.	Intersection Improvement—Likelike Highway Valley View Drive, Oahu—Construction of median deceleration lane and miscellaneous drainage improvements.	113,000 a
31.	Intersection Improvement—Kalanianaole Highway at Lunaiilo Home Road, Oahu—Intersection improvements.	15,000 s
32.	Relocation of Oahu District Base Yard Facilities, Honolulu—Relocation from Ft. Armstrong and construction of new base yard at Ft. Shafter Flats.	174,000 s
33.	Relocation of Kaneohe Base Yard, Oahu—Construction of new base yard.	27,000 s
34.	Land acquisition and relocation of Aiea Base Yard to Pearl City, Oahu.	175,000
35.	Kamehameha Highway, Oahu—To provide manual control traffic signals at Honomana Street and Kamehameha Highway.	4,000
35a.	Plans, land acquisition and construction of State highway projects selected by the Department of Transportation on the basis of traffic needs, public safety, or highway beautification, and as approved by the Governor.	4,328,500

**Maui****Airports**

36.	Kahului Airport, Kahului, Maui—Construct additions to terminal concourse and other related facilities.	250,000 r
37.	Kahului Airport, Kahului, Maui—Relocation of ground transportation facilities.	626,000 r
37a.	Kahului Airport, Kahului, Maui—Extension of runway 2-20.	210,000 r
37b.	Lanai Airport, Lanai—Improvements to terminal building, baggage claims area, and other improvements.	10,000
37c.	Kalaupapa Airport, Molokai—Extend and improve existing runway.	24,000

**Harbors—Commercial**

38. Kahului Harbor Improvements, Maui—Construction of office, shop, security fencing and other improvements. 120,000 s

**Harbors—Small Boat**

39. New Lahaina Boat Harbor, Lahaina, Maui—Plans for constructing breakwater, dredging channel. 34,000 f
40. Kalaupapa Launching Facilities, Molokai—Replacement of old derrick with a new jib crane and electric hoist for lifting small boats and other heavy loads. 10,000
41. La Perouse Bay Improvements, La Perouse Bay, Maui—Provide aids to navigation to create a harbor of refuge. 8,000
- 41a. Small Boat Launching Ramp, Maui—Construct launching facility at Lower Paia or at Haiku. 20,000

**Harbors—Beach Erosion and Others**

42. Kihei Beach Erosion Control, Maui—Construction of berms and revetments to prevent further beach erosion and restore beach for public use. (Supplement funds provided by Item C-43, Act 217, SLH 1967.) 95,000 x  
237,000 f

**Highways**

43. Kahului Airport—Maalaea Highway, Maui—Construction of a two-lane highway from Honoapiilani Highway near Maalaea to Hana Highway near Kahului. 685,000 a  
561,000 FAS
44. Haleakala Highway, Maui—Complete widening and resurfacing of existing narrow highway to Haleakala National Park Boundary. 180,000 a
45. Intersection Improvements—Kula Highway at Haleakala Highway, Maui—Realign and channelize intersection. 37,000 s  
29,000 FAP
46. Extension of Culvert—Olowalu, Maui—Extension of culverts at station 38+25 and 46+93, FAP 30-A at Olowalu and other improvements. 40,000 s
47. Replacement of Kahawaiiki Bridge and Incremental Improvement of Kamehameha V Highway, Molokai—State funds used for the replacement of Kahawaiiki Bridge are to be matched by the County of Maui. Any State funds remaining after the replacement of the bridge shall be used to improve selected sections of Kamehameha V Highway from the end of present paved highway towards Halawa. 100,000  
80,000 x
48. Hana Belt Road—Honomanu Gulch to Nahiku, Maui—Incremental widening, reshaping, and paving approximately 12.0 miles of existing highway. 367,000
49. Highway Beautification, Maui. 40,000
50. Kahakuloa Bridge, Maui—Plans for new bridge and approaches. 10,000
- 50a. Improvement to Airport Access Road and to Manele Road, Lanai—Widen, repave and other improvements. 75,000

**Hawaii Airports**

51. Keahole-Kona Airport, North Kona, Hawaii—Land acquisition and construction of new airport with runway, apron, terminal buildings, and other related improvements. 4,686,000 r
52. General Lyman Field, Hilo, Hawaii—Construction of terminal facilities, utilities, and other related improvements; including extension of runway 3-21. 4,600,000 r
53. Kona Airport, North Kona, Hawaii—Construct additional improvements, including additions to aircraft parking ramp, apron, parking lot lighting, and other miscellaneous improvements. 200,000 r
54. Kamuela Airport, South Kohala, Hawaii—Construct improvements, including the relocation, renovation, or reconstruction of terminal and airfield additions. 400,000 r

55.	General Lyman Field, Hilo, Hawaii—Construct terminal improvements, including installation of aircraft apron and auto parking lighting, alterations and additions to public automobile parking area, additions to terminal building, and additions to Air Cargo building.	278,000 r
	<b>Harbors—Commercial</b>	
56.	Hilo Harbor Improvements, Hawaii—Extension of Pier 2 shed and other related improvements.	125,000 s
57.	Kawaihae Harbor Development, South Kohala, Hawaii—Dredging portion of harbor basin to new wharf line and other improvements in conjunction with the Federal project to enlarge harbor basin.	40,000 s 1,852,000 f
58.	Hilo Harbor Development, Hawaii—Surveys and studies to determine the feasibility of Hilo Harbor modification and formulate possible solution to the surge problem.	16,000 f
	<b>Harbors—Small Boat</b>	
59.	Honokahau Boat Harbor, Kona, Hawaii—Dredging of entrance channel and harbor basin.	200,000 f
60.	Puako Launching Ramp Improvements, Puako, Hawaii—Improve utilization and safety of Puako launching ramp by clearing channel of coral heads and providing channel markers, paving, drainage, and other improvements.	18,000
	<b>Highways</b>	
61.	Kawaihae Road—Kawaihae toward Kamuela Race Track, Hawaii—Incremental construction of two-lane highway on a new alignment from the end of Project S-0260(1) at Kawaihae to junction with the Hawaii Belt Road in Waimea near the Kamuela Race Track.	900,000 a 770,000 FAP
62.	Olaa-Hilo Road—Inbound Lane, Hawaii—Reconstruction of existing old Volcano Road between Olaa Slaughter House Road and Makalika Street in Panaewa Forest Reserve, including lower Keaau connections. (To be supplemented by balance remaining in Acts 30/62 (D-3-s), 201/63 (D-3-q), and 195/65 (D-56).)	35,000 a 28,000 FAP
63.	Hawaii Belt Road—Kainaliu to Papa, Hawaii—Incremental construction of approximately 26 miles of two-lane highway from Kainaliu to the beginning of BF-011-1 (3) in Papa.	192,000 a 158,000 FAP
64.	Hilo Base Yard Improvement, Hawaii—Supplementary appropriation to complete improvements to Hilo Base Yard.	23,000 s
65.	Kanoelehua Avenue, Inbound Lane, Hawaii—Plans for construction of four-lane highway by utilizing the present two-lane highway and constructing an additional two-lane highway on a parallel alignment from end of Project No. F-011-2(2) to Kamehameha Avenue. Existing two-lane highway to be resurfaced with 1" asphalt concrete.	49,000 a 48,000 FAP
66.	Kawaihae-Mahukona-Hawi Road, Hawaii—Construction of two-lane highway from the end of Project No. A-270-01-62 to the beginning of Project No. S-203(2). (Funds to be supplemented by remaining balances in Item C-108 of Act 217, SLH 1967.)	61,000 FAS
67.	Kawaihae-Kailua Road, Hawaii—Incremental construction of two-lane roadway. To supplement prior appropriations for Kailua-Kawaihae Road Project.	41,000 a
68.	Kuakini Highway, Hawaii—Incremental plans and land acquisition for realignment of present two-lane highway to meet the Kailua-Kawaihae Road at its intersection with Palani Road.	509,000 a 416,000 FAP
69.	Honokaa, Waipio, Mud Lane Road, Hawaii—Supplement prior appropriation to complete realigning, grading, and	200,000

drainage of a two-lane, high-type pavement highway from Haina Road Intersection to Waipio Lookout to Mud Lane Road.	
70. Overpass—Hawaii Belt Road, Honokaa, Hawaii—To supplement prior appropriation of \$22,500 for plans, land acquisition, and construction of an overpass.	18,000
70a. Keauhou Baseyard—Supplementary appropriation for construction of a new baseyard.	25,000 s
<b>Kauai</b>	
<b>Airports</b>	
71. Lihue Airport, Lihue, Kauai—Widening of existing runway, land acquisition, extension to present runway, construction of holding aprons, and portion of parallel taxiway and other improvements.	1,650,000 r
<b>Harbors—Commercial</b>	
72. Nawiliwili Harbor Improvements, Kauai—Improvements to existing facilities including constructing or purchasing of shop and office buildings and other improvements.	55,000 s
<b>Harbors—Small Boat</b>	
73. Port Allen Small Boat Harbor Improvements, Kauai—Construction of improvements to existing breakwater, roadway and other marina facilities.	50,000
73a. Kikiaola Small Boat Harbor, Kauai—Dredging.	20,000
73b. Nawiliwili Launching Ramp, Kauai—Miscellaneous improvements, including construction of catwalks to facilitate launching of crafts.	7,000
<b>Highways</b>	
74. Kauai Belt Road—Bridge Improvements Kauai—Improve and strengthen existing Wailua Bridge and Wainiha bridges. If rehabilitation of existing Wailua Bridge is unfeasible, plan for new bridge over Wailua River upstream of present highway bridge.	303,000 a
75. Kauai Belt Road—Kahili to Kilauea, Kauai—Construction of two-lane highway and other improvements.	338,000 a
76. Improvements to Junction of Kaumualii Highway and Maluhia Road, Kauai—Construction of storage lane for left turn traffic into Maluhia Road from Kaumualii Highway, including curbed medial, intersection lighting and other improvements.	276,000 FAP 23,000 s 17,000 FAP
77. Safety Improvements—Kaumualii Highway West of Huleia Bridge, Kauai.	12,000 s
78. Truck Climbing Lane at Nawiliwili Hill along Rice Street, Kauai—Construction of a third lane for trucks climbing Nawiliwili Hill, including revamping of the drainage system and other improvements.	12,000 FAP 114,000 a
79. Kauai Belt Road—Hanalei to Kalihiwai, Kauai—Plans and land acquisition for construction of two-lane highway and other improvements between Hanalei and Kalihiwai.	50,000 a 40,000 FAP
80. Kauai Belt Road—Lumahai to Hanalei, Kauai—Plans for construction of two-lane highway between Lumahai and Hanalei.	28,000 a 22,000 FAP
81. Motor Vehicle Testing and Recreation Facilities, Kauai—Funds appropriated in Item C-6 of Act 217, S.L.H. 1967 shall be transferred to this project to supplement this appropriation.	10,000

#### D. DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

(To be expended by the Director, Department of Planning and Economic Development)

**Statewide**

1. State Planning Programs—Review of State land use district boundaries and regulations as required by statute, including updating and revising of maps. In the event Federal funds are received, the balance may be used for other State and County planning programs. 150,000

**Oahu**

2. Foreign Trade Zone No. 9, Oahu—Plans for expansion of Foreign Trade Zone No. 9 facilities to Sand Island. 5,000

**Maui**

3. Deep Sea Submergence Testing Range Project. 40,000

**E. UNIVERSITY OF HAWAII****Statewide**

1. Major CIP Planning, Statewide—Continuing studies, research, and advance planning of major facilities and utilities to seek State and/or Federal funds on specific projects. 150,000
2. Minor CIP Projects, Statewide—Planning, constructing, and equipping of minor improvements, including construction of new facilities as well as modifications to existing structures. 200,000
3. General Utilities, Roads, and Site Improvements, Statewide—Incremental planning and construction of utilities, roads, and site improvements. 420,000

**Oahu****Manoa Campus**

4. Land Acquisition, Honolulu—Purchase of private lands for the University of Hawaii Manoa Campus. 665,000
5. Plant Sciences Facilities, Honolulu—Purchase of furniture and equipment. 299,000
6. Business Administration Facilities, Honolulu—Completion of construction and purchase of furniture and equipment. 311,000
7. Biomedical Sciences Facilities, Honolulu—Completion of construction. 360,000
8. Student Center, Honolulu—Purchase of furniture and equipment. 245,000 f  
481,000 r
9. Student Dormitory, 500-Beds, Honolulu—Construction, purchase of furniture and equipment, and plans for additional dormitories. 4,222,000 r
10. Engineering Facilities, Honolulu—Construction of a new Engineering Building. 2,039,000  
1,875,000 f  
1,458,000
11. Chemistry Facilities, Honolulu—Construction and furniture and equipment. 143,000
12. Art and Architecture Facilities, Honolulu—Plans for general instructional and research areas, faculty offices, and related facilities. 25,000
13. Music Facilities, Honolulu—Plans for additional music facilities. 175,000
14. Portable Office and Classroom Buildings, Honolulu—Planning, construction and equipping of single-story portable facilities until the completion of permanent facilities. 350,000
15. Bachman Hall Annex, Honolulu—Plans for new building to provide additional administrative offices. 110,000
16. Alterations and Additions to Sensory Sciences Building, Honolulu—Renovations of the second floor to provide offices and laboratories for new personnel. 50,000 f

18. External Circulation and Surface Improvements, Honolulu—Improvement of egress and ingress to various parts of the campus; landscaping pursuant to master plan now being formulated.	250,000
19. Improvements to Physical Education Facilities, Honolulu—Incremental planning and construction of athletic fields to include: Construction of additional tennis courts to complement the HPE instructional and athletics-intramural needs, additional lighting on mauka side of Cooke Athletic Field, and general practice areas for athletic activities.	100,000
20. Parking Structures, Honolulu—Plans and construction of multi-deck structures to provide parking facilities and minimum access facilities.	5,500,000 r
21. Land Acquisition, PRI, Honolulu—Acquisition of approximately 5.7 acres of land and improvements of Pineapple Research Institute in Manoa fronting on Dole Street.	518,000
22. Agricultural Sciences Facilities, Honolulu—Plans for structure(s) to house several departments under the College of Tropical Agriculture.	125,000
22a. Physical Sciences Facilities, Manoa—The construction of a four-story Physical Sciences Building to include offices, classrooms, research laboratories, and specialized rooms.	1,500,000 750,000 f

**Kapiolani Community College**

23. Relocatable Units, Honolulu—Plans, construction and purchase of equipment for a relocatable classroom unit with appurtenant toilet facilities.	27,000
24. Kitchen and Cafeteria-Lanai, Honolulu—Purchase and installation of food preparation and service equipment and dining area furniture.	60,000

**Honolulu Community College**

25. Relocatable Units, Honolulu—Plans, construction and equipment for relocatable units.	118,000
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**Leeward Community College**

26. Site Development, Ewa, Oahu—Incremental site development consisting of grading and compaction, utility lines, storm drainage, sewage lines, roads, walks, parking lots, and miscellaneous site construction and landscaping.	560,000
27. Off-site Development, Ewa, Oahu—Planning and construction of improvement projects adjacent to the campus.	215,000
28. General Instructional Facilities (F-1, G, J-1), Ewa, Oahu—Plans for general classrooms for Fine Arts, Business Education, and Language Facilities.	222,000
29. Library, Ewa, Oahu—Construction of library facilities and installation of furniture and equipment.	280,000
30. Relocatable Shower Units, Ewa, Oahu—Plans, construction, and equipment for relocatable shower units.	40,000

**Maui****Maui Community College**

31. Land Acquisition, Wailuku, Maui—Incremental purchase of additional acres of land adjacent to the existing campus.	750,000
32. Classrooms, Wailuku, Maui—Plans, construction and equipment.	100,000
33. Site Development, Wailuku, Maui—Incremental site development of approximately 30 acres of land.	100,000
34. Restroom Facilities, Wailuku, Maui—Construction of toilet facilities.	75,000
35. Student Housing, Wailuku, Maui—Plans for housing units for single students.	28,000
35a. Student Center, Wailuku, Maui—Plans for a Student Center.	60,000

**Hawaii****Hilo Campus**

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|---|---------|
| 36. Library addition, Hilo, Hawaii—Construction of additional space to increase reading, carrel seating and stack areas and the purchase of furniture and equipment.  | 155,000 |
| 37. Cafeteria, Hilo, Hawaii—Construction of new cafeteria facilities to replace the existing cafeteria facilities, and the purchase of furniture and equipment.   | 244,000 |
| 38. Classroom Building No. 2 (Life Science Building), Hilo, Hawaii—Purchase of furniture and equipment for Classroom Building No. 2.  | 80,000  |
| 39. Student Union, Hilo Campus, University of Hawaii—Construction and acquisition of furniture and equipment provided that funds shall be made available under this appropriation only on condition that an additional sum of \$150,000 is received from private sources. | 300,000 |

**F. DEPARTMENT OF EDUCATION**

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| 1. Statewide land acquisition; minor capital improvements; construction and relocation of portables; drainage, grounds, roadways, covered walkways, lights, equipment, utility improvements, elimination of architectural barriers, improve access and all other improvements. | 2,000,000              |
| 1a. Construction of portables or conversion of existing facilities to provide classrooms for the grades K to 3 programs and classrooms for special programs, statewide.  | 2,000,000              |
| 1b. Additions, Renovations, Repairs to Existing Schools, statewide.  | 800,000                |
| 2. Salt Lake Elementary School, Oahu—Planning and construction of classrooms, administration-library, kitchen and site work.   | 855,000                |
| 3. Pearl City High School, Oahu—Planning and construction of classrooms, music, shop, agricultural arts and laboratory, kitchen-multi-purpose buildings.   | 1,070,000              |
| 4. Parker Elementary School, Oahu—Planning and construction to supplement prior State and federal authorization for a new school.  | 550,000                |
| 5. Puuhale Elementary School, Oahu—Construction of classrooms. (Replacement)   | 270,000                |
| 6. Waimano-Pearl City Elementary School, Oahu—Plans and construction of classrooms, administration, library, kitchen and site work. (1st increment)  | 764,000 f              |
| 7. Makalapa Elementary School, Oahu—Planning and construction of classrooms. (2nd increment, additional classrooms)  | 249,000                |
| 8. Kalakaua Intermediate School, Oahu—Planning and construction of classrooms. (Replacement)   | 600,000                |
| 9. Moanalua High School, Oahu—Planning and construction of classrooms, administration-library building.  | 713,000                |
| 10. Palolo Elementary School, Oahu—Planning and construction of classrooms, including a science classroom.   | 247,000                |
| 11. Mokapu Elementary School, Oahu—Planning and construction of additional classrooms.   | 240,000                |
| 12. Ewa Beach Intermediate School, Oahu—Land acquisition, planning and construction of classrooms.   | 435,000                |
| 13. Hawaii Kai High and Intermediate School, Oahu—Master plan and planning of new school.  | 1,245,000 f<br>113,000 |
| 14. Kalaheo Hillside Intermediate School, Oahu—Construction of special and regular classrooms.   | 280,000                |
| 15. Enchanted Lake Elementary School, Oahu—Planning and construction of classrooms.  | 259,000                |
| 16. Palisades Elementary School, Oahu—Planning and construction of a multi-purpose dining room with classrooms.  | 330,000                |

17. Waiau Elementary School, Oahu—Planning and construction of classrooms, kitchen-multi-purpose facility and site work.	565,000
18. Waipio Elementary School, Oahu—Planning and construction of classrooms, administration, library and kitchen.	786,000
19. New Maui High and Intermediate School, Maui—Land acquisition and construction of new high school. (To be supplemented by Item I-B-16 of Act 38, SLH 1966.)	1,400,000
20. Kalanianaole Elementary and Intermediate School, Hawaii—Master plan. (Supplement prior appropriations for construction of additional classrooms and equipment, plans of band and art classrooms)	120,000
21. New Waimea Elementary School, Kauai—Land, master planning and construction of new school.	900,000
22. Leilehua High School, Oahu—Planning and construction of additional classrooms, construction and improvements to existing facilities.	348,000
23. Kawanakanakoa Intermediate School, Oahu—Construction of science building including agriculture arts and laboratory and improvements to the dining room and replacement of auditorium seats.	460,000
24. Webling Elementary School, Oahu—Planning and construction of additional classrooms.	220,000
25. King Intermediate and High School, Oahu—Planning and construction of special classrooms and administration-library building. (Funds in item F-35. Act 217, Session Laws of Hawaii 1967, to be used for this project.)	10,000
26. Waimea Elementary and Intermediate School, Hawaii—Construction of science and music rooms and sanitary facilities.	227,000
27. Waiakeawaena Elementary School, Hawaii—Planning and construction of classrooms, covered walkways and equipment.	362,000
28. Ernest B. de Silva Elementary School, Hawaii—Plans for additional classrooms and protected play areas.	25,000
29. McKinley High School, Oahu—Plans and construction, renovation of homemaking and math classrooms.	110,000
30. New Hana High and Elementary School, Maui—Master plan, planning for regular and special classrooms, cafeteria and administration buildings.	80,000
31. Kailua Intermediate School, Oahu—Planning and construction of additional classrooms.	375,000
32. Kahaluu Elementary School, Oahu—Planning and construction of additional classrooms.	181,000
33. Kauai High School, Kauai—Construction of cafeteria. Plans for administration-library building.	327,000
34. Waipahu Elementary School, Oahu—Planning and construction of classrooms (replacement) and demolition.	249,000
35. Makakilo Elementary School, Oahu—Planning and construction of additional classrooms.	331,000
36. Kapaa Elementary School, Kauai—Planning for administration-library building, classrooms, and construction of janitor's workroom and storage.	25,000
37. Waianae Elementary School, Oahu—Master plan for replacement of old classrooms and demolition of old buildings, plans for classrooms (replacement).	14,000
38. Waipahu High School, Oahu—Master plan and plans for renovation and replacements needed for conversion to an intermediate school.	35,000
39. Waialua High and Intermediate School, Oahu—Planning and construction of administration-library building.	455,000
40. Kaimuki Intermediate School, Oahu—Planning of new library and conversion of existing library to classrooms.	33,000

41.	Molokai High and Intermediate School, Maui—Master plan, planning and construction of classrooms and gymnasium, and expansion and/or improvements to school.	700,000
41a.	Molokai High and Intermediate School, Molokai—Plans for extension or replacement of library.	5,000
42.	Manoa Elementary School, Oahu—Planning and construction of improvements to existing facilities and grounds.	100,000
43.	Kapaa High and Intermediate School, Kauai—Construction of alterations to classroom buildings. Planning of classrooms, PE and athletic facilities, parking and integrated utility system.	211,000
44.	Wheeler Elementary School, Oahu—Master plan and plans for classrooms (replacement).	26,000
45.	Waiakea Intermediate School, Hawaii—Planning and construction of classrooms, equipment, sanitary facilities, and playground development.	167,000
46.	Konawaena Elementary School, Hawaii—Construction of relocatable classrooms with sanitary facilities and plans for construction to correct architectural barriers for the handicapped.	73,000
47.	Kau High and Pahala Elementary School, Hawaii—Planning and construction of agricultural classrooms and shop, PE lockers and facilities, relocatable classrooms.	297,000
48.	Honokaa High and Elementary School, Hawaii—Planning and construction of science classrooms, laboratories, and sanitary facilities; plans for music building.	324,000
49.	Koko Head School, Oahu—Planning and construction of a library extension, a storeroom and an additional teachers' lounge.	20,000
50.	Jefferson Elementary School, Oahu—Master plan for replacement of the school plant and plans for kitchen-multi-purpose dining room.	30,000
51.	Kahuku High and Elementary School, Oahu—Plans for incremental replacement of administration building, regular and special classrooms.	60,000
51a.	Lanai High and Elementary School, Maui—Plans for a swimming pool.	25,000
52.	Aiea High School, Oahu—Plans and construction of concrete curbing for track, water sprinkler system for athletic field and plans for classroom addition.	76,000
53.	Royal Elementary School, Oahu—Demolition of existing building and plans for administration-library replacement.	32,000
54.	Waimea High and Intermediate School, Kauai—Plans for library building.	17,000
55.	Kailua Elementary School, Oahu—Planning of new classrooms and to supplement Act 38, Session Laws of Hawaii 1966.	71,000
56.	Mt. View Elementary and Intermediate School, Hawaii—Plans for replacement of two kindergarten buildings and classrooms.	20,000
57.	Moanalua Intermediate School, Oahu—Planning for additional classrooms.	31,000
58.	Red Hill Elementary School, Oahu—Planning for additional classrooms and improvements to playground.	18,000
59.	Castle High School, Oahu—Construction of library and installation of internal automatic fire alarm system.	280,000
60.	Pauoa Elementary School, Oahu—Construction of kitchen multi-purpose dining room, paving play area and parking; demolition, replacement of custodial storage building.	267,000
61.	Kapalama Elementary School, Oahu—Construction of administration-library building and demolition of old building.	245,000
62.	Kaiulani Elementary School, Oahu—Planning and construction of administration-library replacement.	225,000

63.	Lanakila Elementary School, Oahu—Construction of administration building, demolition of old building, and improvement to access road.	92,000
64.	Waiahole Elementary and Intermediate School, Oahu—Planning and construction of drainage ditch and plans for additional classrooms.	35,000
65.	Waimanalo Elementary School, Oahu—Master plan and plans for replacement of classrooms.	25,000
66.	Liliuokalani Elementary School, Oahu—Construction of administration, library and multi-use classrooms.	210,000
67.	Nanakuli High School, Oahu—Planning and construction of athletic field.	370,000
68.	Aliiolani Elementary School, Oahu—Plans for administration-library building.	12,000
69.	Eleele Elementary School, Kauai—Planning and construction of kitchen-multi-purpose dining room and an integrated utility system.	249,000
70.	Kipapa Elementary School, Oahu—Master plan and land acquisition.	55,000
71.	Roosevelt High School, Oahu—Planning and construction of flood lights on athletic field, master plan for language laboratory and renovation of existing classrooms.	331,000
72.	Jarrett Intermediate School, Oahu—Additional funds for stream bank erosion measures.	10,000
73.	Waipahu IV (Kahuwai) Elementary School, Oahu—Planning and construction of classrooms.	249,000
74.	Laupahoehoe High and Elementary School, Hawaii—Plans, construction of a Community School Library, equipment, appurtenances, site preparation.	300,000
75.	Konawaena High and Intermediate School, Hawaii—Acquisition of additional land, plans and construction of new gymnasium, shower and sanitary facilities and additional classrooms. To supplement prior appropriation.	375,000
76.	Honaunau Elementary School, Hawaii—Plans and construction of new cafeteria (Prior appropriation of \$103,000 shall also be used for this project.)	125,000
77.	Lahainaluna High School, Maui—To supplement prior appropriation for athletic field, parking and classroom building, vocational agriculture farm shop building, and including equipment.	120,000
77a.	Lanai High and Elementary School, Maui—Master plan and plans and construction of improvements to school and athletic field.	50,000
78.	Kahuku High and Elementary School, Oahu—Plans for construction of gymnasium.	50,000
79.	Aikahi Elementary School, Oahu—Plans for construction of cafeteria.	40,000
80.	Iliahi Elementary School, Oahu—Plans and construction of library building.	96,500
81.	Wahiawa Elementary School, Oahu—Renovation and expansion of administration and library building.	133,000
82.	Haleiwa Elementary School, Oahu—Plans for library and administration building.	30,000
83.	Aiea Intermediate School, Oahu—Plans and construction of chain link fence, improvements to band room and land acquisition.	67,000
84.	Waianae High School, Oahu—Plans and construction of parking area improvements, renovation of administration and library building and improvements to athletic facilities and plans for swimming pool.	162,000
85.	Waimalu Elementary School, Oahu—Flood control improvements.	160,000
86.	Kalihi Elementary School, Oahu—Construction of a covered play area.	90,000

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87.	Palisades Elementary School, Oahu—Plans and construction of covered walkways.	10,000
88.	Kalihi-Palama Library, Oahu—Renovation of existing facilities.	75,000
89.	Moanalua Intermediate School, Oahu—Supplementary funds for temperature and humidity control and other related improvements.	50,000
90.	Footpath over Kalihi Stream, Oahu—Plans and construction of a footpath over Kalihi Stream connecting Kuhio Park Terrace to Kalihi-Waena School.	20,000
91.	Maemae Elementary School, Oahu—Construction of improvements.	25,000
92.	Farrington High School, Oahu—Correct and improve drainage system for athletic field.	15,000
93.	Likelike School, Oahu—For building a driveway to connect the administrative-library building to public roadway and parking.	15,000
94.	Maunaloa Elementary School, Maui—Master plan and plans for construction of an administration building.	25,000
95.	Liliha Branch Library, Oahu—Installation of temperature and humidity control equipment.	73,000
96.	Central Intermediate School, Oahu—Renovation of school cafeteria, sound proofing and air conditioning of music building, sound proofing of physical education building.	90,000
97.	Lincoln Elementary School, Oahu—Plans and improvements to existing facilities.	5,000
98.	Stevenson Intermediate School, Oahu—Plans to soundproof and air condition music building.	10,000
99.	New Lahaina Elementary School, Maui—Plans.	20,000
99a.	Iao Elementary School, Maui—Plans for construction of a library-administration building.	25,000
100.	Washington Intermediate School, Oahu—Plans and construction of renovation of kitchen.	30,000
101.	Jefferson Elementary School, Oahu—Construction of a chain link fence around playground.	20,000
102.	Noelani Elementary School, Oahu—Construction of wind-breaks around walkways.	5,000
103.	Roosevelt High School, Oahu—Plans for swimming pool.	15,000
104.	Liholiho Elementary School, Oahu—Grading for drainage and improving playground area and plans for replacement of classrooms.	26,000
105.	Anuenue Elementary School, Oahu—Construction of library and expansion of administration offices.	113,000
106.	Waikiki Elementary School, Oahu—Plans for multi-purpose dining room.	20,000
107.	Aina Haina Elementary School, Oahu—Planning and construction to enlarge library.	65,000
108.	Niu Valley Intermediate, Oahu—Planning and construction of improvement to existing facilities.	50,000
109.	Koko Head Elementary School, Oahu—Planning and construction of special classrooms and fencing.	127,000
110.	Hawaii Kai Library, Oahu—Plans.	40,000
111.	Kauai High School, Kauai—Plans and construction of a swimming pool.	200,000
112.	(Not used.)	
113.	(Not used.)	
114.	(Not used.)	
115.	Ala Wai Elementary School, Oahu—Additional access to school, including University Avenue extension bridge.	200,000
116.	Keaau Elementary and Intermediate School, Puna, Hawaii —Plans and construction of classrooms, and other facilities.	170,000

117. Pahoa High and Elementary School, Puna, Hawaii—Plans and construction of classrooms, toilets and other facilities.	150,000
118. Mt. View School and Community Library, Hawaii—Plans, construction, site improvements, equipment and appurtenances for a combination public and school library to be built on school property.	140,000
119. Ewa Beach School—Community library, plans.	70,000
120. Radford High School—Plans, renovation and equipment to convert existing classroom to chemistry laboratory.	15,000
121. Kuhio Elementary School, Oahu—Master plan.	5,000
122. Kaimuki High School, Oahu—Cafetorium renovation and plans for classrooms and administration buildings.	22,000
123. Laie Elementary School, Oahu—Plans for construction of cafetorium.	25,000
124. Pearl City Elementary School, Oahu—Construction of parking area.	9,000
125. (Not used.)	
126. (Not used.)	
127. (Not used.)	
128. Modification of existing classrooms into language laboratory classrooms, including plans, construction and equipment:	
<b>Hawaii District</b>	
1. Pahoa High and Elementary School	15,000
2. Hilo High School	15,000
3. Honokaa High and Elementary School	15,000
4. Laupahoehoe High and Elementary School	15,000
5. Konawaena High and Intermediate School	15,000
6. Kau High School	15,000
7. Kohala High and Elementary School	15,000
<b>Maui District</b>	
8. Molokai High and Intermediate School	15,000
9. Lanai High and Elementary School	15,000
10. Baldwin High School	15,000
11. Hana High and Elementary School	15,000
12. Lahainaluna High and Intermediate School	15,000
13. Maui High School	15,000
<b>Kauai District</b>	
14. Waimea High and Elementary School	15,000
15. Kauai High School	15,000
16. Kapaa High and Intermediate School	15,000
<b>Oahu District</b>	
17. Waimanalo Intermediate and Elementary School	15,000
18. Kailua Intermediate School	15,000
19. Kahuku High and Elementary School	15,000
20. Kalaeo Hillside Intermediate School	15,000
21. Aiea Intermediate School	15,000
22. Aliamanu Intermediate School	15,000
23. Nanaikapono Intermediate and Elementary School	15,000
24. Waianae High School	15,000
25. Highlands Intermediate School	15,000
26. Waianae Intermediate School	15,000
27. Kalakaua Intermediate School	15,000
28. Stevenson Intermediate School	15,000
29. Central Intermediate School	15,000
30. Kaimuki High School	15,000
31. Roosevelt High School	15,000
32. Washington Intermediate School	15,000
33. Jarrett Intermediate School	15,000
34. Kalani High School	15,000
35. Niu Valley Intermediate School	15,000
36. Wahiawa Intermediate School	15,000
37. Waipahu High School	15,000

**Technical and Special Schools**

129. Hawaii Technical School, Hawaii—Plans for related and shop classroom building; apparel trades and drafting room; cosmetology building; agricultural technology; industrial technology; parking and roadway; drainage study; and plans and construction of diesel shop addition. 135,000
130. Diamond Head School, Oahu—Planning and construction of kitchen-multi-use dining room. 243,000
131. Linekona School, Oahu—Pre-land acquisition, site study. 10,000

Provided that the Department of Education, with the approval of the Governor, is authorized within its appropriation to expend funds for capital improvement projects not specifically itemized herein or may supplement specific appropriations itemized herein to cope with contingencies related to elements such as fires, natural disasters, or lack of federal funds; provided further that such contingencies create an urgent need to pursue a course of action as permitted herein; provided further that the Department of Education, to fund these projects, shall utilize projects savings or substitute departmental projects as contained in this Act; and provided further that the Governor shall report to the next budget session of the Legislature on all projects affected by provisions contained herein.

**G. DEPARTMENT OF HAWAIIAN HOME LANDS**

(To be expended by the Director, Hawaiian Home Lands)

**Oahu**

1. Waimanalo Subdivision, Oahu—Incremental construction of roads, curbings, water, electric lines and other improvements for development of residential lots. 690,000  
55,000 s

**Maui**

2. Pauukalo Houselots, Maui—Plans and construction of a Community Center. 25,000

**H. DEPARTMENT OF HEALTH****Oahu****Public Health and Other**

1. Department of Health Facilities, Ft. Shafter Flats, Oahu—Relocation of Ilalo Street facilities to Ft. Shafter Flats, including construction and improvements. 268,000
2. Hale Mohalu Hospital, Oahu—Incremental construction of a new hospital complex for treatment and care of Hansen's Disease patients on Oahu, including related support facilities required for the operation of a chronic care hospital. To be supplemented by Item K-7 of Act 195/65 and Item H-1 of Act 217/67. 250,000
3. Hawaii State Hospital, Oahu—Reroofing Goddard Building, including building up low spots to provide proper drainage and improvements to baths, shower and toilet facilities. 111,000
4. Hawaii State Hospital, Oahu—Incremental construction, renovation, and improvements to State Hospital, including new adolescent unit. To be supplemented by Items H-6 and H-10 of Act 217, SLH 1967. 844,000
5. Waimano Training School and Hospital, Ewa, Oahu—Replace sewer line. 10,000
6. Sheltered Workshop, Wahiawa, Oahu—Supplementing prior appropriation for mentally retarded center. 252,000
- 6a. Waimano Training School and Hospital, Ewa, Oahu—84 bed ward and dining facilities. Addition to prior appropriations. 208,000
- 6b. Kaneohe Health Center—Plans. 75,000
- Act 97 Hospitals
- 6c. Maluhia Hospital, Honolulu—Radio Communication System. Addition to prior appropriation. 35,000

**Maui****Act 97 Hospitals**

7. Kalaupapa Settlement—New Water Tank. Addition to prior appropriations.	18,000
8. Kula Sanatorium and General Hospital Improvements, Maui—Safety guard rails for hospital balconies and improvements to operating room floor.	13,000
8a. Kula Sanatorium—Remodel Hospital Kitchen. Addition to prior appropriation.	25,000
9. Maui Memorial Hospital Improvements, Maui—Installation of Radio-Isotope Laboratory, including remodeling existing area adjacent to present x-ray facilities.	55,000

**Hawaii****Public Health and Other**

10. Workshop for the Mentally and Physically Handicapped, Honokaa, Hawaii—to supplement prior appropriation.	57,000
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**Act 97 Hospitals**

11. Hilo Hospital Improvements, Hawaii—Construction of a new main electrical system, including additional transformers and switchgear and new engine generators.	67,000
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**Kauai****Public Health and Other**

12. Kapaa Health Center, Kawaihau, Kauai—Construct new Kapaa Health Center Building.	30,000
	88,000 f

**Act 97 Hospitals**

13. Kauai Veterans Memorial Hospital Improvements, Waimea, Kauai—Extension of the ambulance overhead coverage of the ramp to food servicing area, new concrete ramp, complete reroofing over kitchen, general storage area, widen doors to bathrooms and showers for wheelchair patients.	29,000
14. Kauai Veterans Memorial Hospital, Waimea, Kauai—Obstetrics Wing. Addition to prior appropriation.	155,000
15. Kauai Veterans Memorial Hospital—Master Planning.	10,000

**Hospital Grants-in-aid**

16. Kuakini Hospital—Grant.	150,000
17. G. N. Wilcox Memorial Hospital Improvements—Plans and construction of first increment to modernize the hospital to meet minimum federal requirements under the medicare program.	400,000
18. St. Francis Hospital—Grant.	115,000
19. Castle Memorial Hospital—Grant.	300,000

**I. DEPARTMENT OF SOCIAL SERVICES****Statewide****Corrections**

1. Statewide correctional study to include site recommendation or recommendations.	75,000
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**Oahu****Corrections**

2. Hawaii State Prison, Oahu—Construct toilet and shower areas in each of six inmate dormitories.	30,000
3. Hawaii State Prison, Oahu—Construction and equipment to provide mechanized gates at Gate 21, Sally Port for greater security and efficiency.	4,000

**Hawaii Housing Authority**

(To be expended by Hawaii Housing Authority)

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|--|-------------|
| 4. Nanakuli Area, Low-Income Housing, Oahu—Land acquisition, plans, and construction of dwelling units for families of low income.                                   | 1,800,000 r |
| 5. Waianae Area, Low-Income Housing, Oahu—Land acquisition, plans, and construction of dwelling units for families of low income.                                    | 900,000 r   |
| 6. Physical rehabilitation and normal operating expenses of buildings for teacher housing including equipment. (To supplement rental income used for these purposes) | 275,000     |

**Hawaii****Corrections**

- |   |       |
|---|-------|
| 7. Kulani Honor Camp, Hawaii—Completion of camp illumination project. | 3,000 |
| 8. (Not used.)  |       |

**J. DEPARTMENT OF DEFENSE****Statewide**

- |  |         |
|--|---------|
| 1. Replacement of Civil Defense Warning sirens, Statewide—Replacement of Civil Defense disaster warning sirens worn out and unserviceable. | 8,000   |
|  | 8,000 f |

**Oahu**

- |   |        |
|---|--------|
| 2. Rifle Range, Diamond Head Crater, Ft. Ruger, Oahu—Construction of a 15-point rifle range in Diamond Head Crater. | 85,000 |
|---|--------|

**Kauai**

- |  |        |
|--|--------|
| 3. Civil Defense Building—to supplement Item J 10, Act 217, SLH 1967, including equipment. | 55,000 |
|--|--------|

**K. DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES****Statewide**

- |   |         |
|---|---------|
| 1. Public Works Planning Statewide—Continuing studies, research and planning for facilities of State Agencies served by the Department of Accounting and General Services, and participation in the APWA Research Projects. | 200,000 |
| 1a. State Capitol—Additional equipment and furniture and utility connections.   | 365,000 |

**Oahu**

- |  |           |
|--|-----------|
| 2. State Civic Center Buildings, Honolulu—Alterations and improvements of existing office space.   | 250,000   |
| 3. Office Building for Multi-Agency Use, Honolulu—Incremental acquisition of land and building owned by the Hawaiian Trust Company located at the corner of King and Richards Streets.   | 750,000   |
| 4. (Not used.)   |           |
| 5. Building and land acquisition for Civic Center of property bounded by Hotel Street, Punchbowl Street, Beretania Street, and Kapiolani Boulevard extension—Honolulu Star-Bulletin, Pioneer Savings and Loan Company, The Medical Group and Remington Rand. | 1,500,000 |
| 6. Senior Opportunity Center, Honolulu—to supplement prior appropriation.  | 40,000    |

**L. JUDICIARY BRANCH****Oahu**

- |   |         |
|---|---------|
| 1. State Judiciary Complex Development, Honolulu, Oahu— | 350,000 |
|---|---------|

Plans for construction of State Judiciary Complex including new facilities, renovations and additions to existing facilities.

#### **Hawaii**

- |   |        |
|---|--------|
| 2. Third Circuit Court Detention Home, Hawaii—Plans for a new building or addition to other existing State facility to provide secure custody of juveniles. | 10,000 |
|---|--------|

#### **Kauai**

- |   |       |
|---|-------|
| 3. District Court of Koloa, Kauai—Plans for a new building or renovation of other existing facilities to provide operating space for court functions. | 7,000 |
|---|-------|

### **M. AID TO COUNTIES—HONOLULU**

(To be expended by City and County of Honolulu)

- |   |         |
|---|---------|
| 1. Little Theater—To be located Ewa of Nuuanu Avenue in Honolulu.   | 450,000 |
| 2. Model Cities Planning—To be matched by the City and County of Honolulu.  | 150,000 |
| 3. Plans and construction of a grandstand at Palolo Playground.   | 12,000  |
| 4. Plans and construction of a grandstand at Kapaolono Playground.  | 12,000  |
| 5. Construction of indoor athletic facilities at Palolo Playground for Jarrett Intermediate and Palolo Schools. To be matched by the City and County of Honolulu. | 276,000 |
| 6. Resurfacing and widening Liko Lane from Pauoa Road and provide underground drainage system at Pauoa School. To be matched by the City and County of Honolulu.  | 17,500  |
| 7. Resurfacing of Crest Avenue, Ridge Avenue, Valley Avenue, and Dole Road, Wahiawa, Oahu—with City and County of Honolulu participating in financing project.    | 25,000  |
| 8. McCully Community Center, Oahu—Supplementary funds for the construction of the McCully Community Center.   | 150,000 |
| 9. Pedestrian Overpass, Oahu—Plans and the construction of a pedestrian overpass near the intersection of Kapiolani Boulevard and Maunawai Place.                 | 90,000  |
| 10. Waimano Stream, Pearl City, Oahu—Erosion and flood control from Kam Highway to Hale Mohalu.   | 160,000 |
| 11. Crestview Subdivision Park, Oahu—Plans.   | 10,000  |
| 12. Emmaline Street Park, Oahu—Improvements.  | 10,000  |

### **N. AID TO COUNTIES—MAUI**

(To be expended by County of Maui)

- |  |         |
|--|---------|
| 1. Lahaina Community Gym and Complex—Plans and incremental of a gymnasium and civic center complex and other physical facilities.  | 100,000 |
| 2. Kaunakakai Sewerage System—Incremental construction of a sewerage system, including treatment plant and other appurtenances and land acquisition. (To supplement prior appropriation) | 85,000  |
| 3. Lanai City Sewerage System—Plans and construction of a sewerage system, including a treatment plant and other appurtenances.  | 85,000  |
| 4. Lahaina Sewerage System—Plans and construction of sewers on the north side of Lahaina, including a pump station and other appurtenances. (To supplement prior appropriation)          | 25,000  |
| 5. Kahoma Stream Flood Control—Plans, land acquisition and construction of flood control at Kahoma Stream, Lahaina. (To supplement prior appropriation)                                  | 40,000  |

**ACT 40**

6. Kepaniwai Park—Plans and construction of an International Botanical Garden, including a master pavilion. (To supplement prior appropriation)	50,000
7. Gymnasium and Swimming Pool—Plans for replacement of gymnasium at Kula and plans for construction of a swimming pool at Makawao-Kula area.	5,000
8. Senior Opportunity Center, Maui—Plans for and construction of a Senior Opportunity Center.	20,000
9. Lower Kula Transmission Line—For incremental development of transmission lines, feeder lines, tanks and other appurtenances. (To be expended by the Board of Water Supply) To supplement prior appropriation.	600,000
10. Honokowai-Lahaina Transmission Line—Plans and construction of a water transmission line at Honokowai, Lahaina, Maui. (To be expended by the Board of Water Supply)	157,000
11. Maui War Memorial Center—Construction of a recreational, cultural, and entertainment center complex, including necessary building and facilities. (To supplement prior appropriation)	100,000
12. Iao Valley Road, Maui—Feasibility study for the extension of Iao Valley Road to Lahaina.	40,000
13. Honokowai Sewer System, Maui—Plans and construction of a sewerage system and related facilities.	40,000
14. Lower Paia Low Income Housing—Land acquisition and plans for housing units for low-income families.	20,000

**O. AID TO COUNTIES—HAWAII**

(To be expended by County of Hawaii)

1. Hilo Sewerage System—Land acquisition and construction of Phase II. (Supplement prior appropriation Puueo and Keaukaha Sewerage Development)	435,000
2. Keaukaha Water Line.	125,000
3. Hoolulu Park, Hilo—Overall development and replacement of old grandstand, County of Hawaii participating and matching State fund.	180,000
4. Kailua, Kona—Parking facilities—Land acquisition and construction of parking facilities.	150,000
5. Pahoa Water System—Improvements, addition, and construction of trunk line water facilities and related appurtenances. (To be expended by the Board of Water Supply, County of Hawaii.)	10,000

**P. AID TO COUNTIES—KAUAI**

(To be expended by County of Kauai)

1. Kapaa Senior Opportunity Center.	20,000
2. Malu Road, Kauai—Road widen, drainage, curbings to protect the flooding of the Hawaii Housing project.	20,000
3. Opaekaa Stream—Funds to be used for snagging and deepening of said stream in order to protect the State farm lands.	10,000
4. Kilauea Lighthouse Road—Plans for the realignment, widening and reconstruction of approximately 1.5 miles of Kilauea Lighthouse Road.	3,000
5. Relocation—Kapaa Basketball and Tennis Courts—Construction of a paved basketball court to include night lighting; also, fencing, backboards for tennis courts, due to State Highway realignment.	43,000
6. Waimea Swamp Fill and Acquisition.	20,000
7. Wailua-Kapaa Sewer Systems, Kauai—Plans and construction for sewer system from Wailua toward Kapaa, including sewer system for State Industrial Land Development at Kapaa.	750,000

8. Development Plans—Kauai Parks—Preparation of development plans for parks and recreation system, historical sites and land acquisition program for Poipu Beach Park. (To be matched by the County of Kauai).	150,000
9. Salt Pond 18-Hole Golf Course, Kauai—Plans and construction of an 18-hole golf course, irrigation system, club house, parking area and beautification. (To be matched by the County of Kauai).	150,000
10. New Kapaa Garbage Disposal Site, Kauai—Construction of new roadway to new Kapaa garbage disposal site. (To be matched by the County of Kauai).	17,000

SECTION 2. The director of the designated expending agency is authorized to delegate to the departments and counties the planning and construction of projects under section 1 when it is determined by him that it is more advantageous to do so.

SECTION 3. The appropriations and authorizations in section 1 include land purchase, plans, site preparation, improvements to land, construction, and necessary equipment when riders to authorizations are not specific.

SECTION 4. All general obligation bond funds used for any federal aid highway project, land development project, or airport project shall have the bond principal and interest reimbursed from the highway special fund, the land development special fund, or the airport special fund, respectively. Bonds issued for irrigation projects shall be reimbursed, as provided by section 86-21 of the Revised Laws of Hawaii 1955, as amended.

SECTION 5. The department of transportation is authorized to issue pursuant to the provisions of part III, chapter 137, RLH 1955, as amended, harbor revenue bonds or other harbor revenue obligations for harbor revenue bond financed projects authorized by this Act, in such principal amount as shall be required to yield the amounts appropriated by this Act from harbor revenue bonds for such projects, plus, if so determined by the department and approved by the governor, such additional amounts as may be deemed necessary by the department to establish, maintain, or increase reserves for such bonds or other revenue obligations and pay the expenses of issuance of such bonds or other revenue obligations. To the extent not paid from the proceeds of such revenue bonds or other revenue obligations, the expenses of the issuance of such harbor revenue bonds or other revenue obligations and the principal and interest on such bonds or other revenue obligations shall be paid or provided for from the harbor special fund. The governor, in his discretion, is authorized to use harbor special funds to finance these projects in section 1 where the method of financing is designated to be by harbor revenue bond funds.

SECTION 6. The Hawaii Housing Authority is authorized to issue housing authority revenue bonds for housing authority revenue bond financed projects authorized by this Act, pursuant to provisions of Part 5.5, Chapter 9, RLH 1955, as amended. The expenses of the issuance of such housing authority revenue bonds and the principal and interest on such bonds sold shall not be a general obligation to the State of Hawaii.

SECTION 7. The governor shall determine when the authorized projects shall be initiated. In releasing funds for projects, the governor shall consider the objectives of the user agency, its programs, the scope and level of the user agency's intended service, and the means, efficiency, and the economics by which the project will meet the objectives of said user agency and the State. Agencies responsible for construction shall take into consideration the objectives of the user agency, its programs, the scope and level of the user agency's intended service, and construct the improvement to meet the objectives of said user agency in the most efficient and economical manner possible.

SECTION 8. The purchase of land and the construction of buildings by state agencies shall be subject to the approval of the governor. Private lands may be acquired for the purpose of exchange for federal lands when the governor determines that such acquisition and exchange are necessary for the completion of any herein or previously authorized projects.

SECTION 9. In case the amount specified for capital improvement projects shall not be wholly required to complete the work of such item or after it is definitely found by the expending officer that not more than a specified amount will be required to complete said work, such unrequired amounts may be expended for any capital improvements projects authorized by the Legislature with the approval of the governor.

SECTION 10. All school buildings erected and all land acquired for school purposes under any item in this Act shall be subject to the approval of the department of education as to the location of the land purchased and the size, arrangement, dimensions, acoustics and lighting of rooms, and sanitary facilities for the buildings erected.

SECTION 11. Where the governor or any agency of any government unit is able to secure federal funds or other property made available under any Act of Congress, or any funds or other property from private organizations or individuals, to be expended in connection with or for the planning and/or construction of any program or works authorized by this Act, or otherwise, the governor or agency (with the governor's approval) shall have the power to enter into such undertaking with the proper offices or agencies of the Federal Government or private organization or individuals, if approved by the governor. While most federal aid allocations are known and local matching funds are provided in this Act, there may be programs for which federal-local cost sharing is not yet determined. In such cases, the availability of federal funds shall be construed as a reduction of local costs whenever possible.

SECTION 12. The department of transportation is authorized to issue airport revenue bonds for airport projects authorized by this Act to be financed by airport revenue bonds, in such principal amount as shall be required to yield the amounts appropriated by this Act from airport revenue

bond funds for such projects, plus, if so determined by the department and approved by the Governor, such additional amounts as may be deemed necessary by the department to pay interest on such revenue bonds during the construction period and for six months thereafter, to establish, maintain or increase reserves for the airport revenue bonds and to pay the expenses of issuance of such bonds. The aforementioned airport revenue bonds shall be issued pursuant to provisions of Part III, Chapter 137, Revised Laws of Hawaii 1955, as amended. The principal and interest of airport revenue bonds, to the extent not paid from the proceeds of such bonds, shall be secured only by the revenues from airports and related facilities under the ownership of the State and operated and managed by the department or such part thereof as the department may determine, including rents, landing fees and other fees or charges presently or hereafter derived from or arising through the ownership, operation and management of airports and related facilities and the furnishing and supplying of the services thereof. Such security shall not include any taxes and no holder or holders of any bonds shall ever have the right to compel any exercise of the taxing power of the State to pay the bonds or the interest thereon and such bonds shall not constitute a debt of the State within the meaning of any limitation of law. The expenses of the issuance of such airport revenue bonds shall to the extent not paid from the proceeds of such bonds be paid from airport special funds. The Governor, in his discretion, is authorized to use airport special funds to finance those projects in Section 1 where the method of financing is designated to be by airport revenue bond funds.

**SECTION 13.** In the event that no funds are allotted by the governor for any project in Section 1 during the biennial period ending June 30, 1970, authorizations and appropriations for such projects shall lapse as of June 30, 1970. Unallotted balances of the appropriations shall likewise lapse as of June 30, 1970.

**SECTION 14.** Provided that the governor, within the total appropriations for the department of education, department of health and the University of Hawaii, may authorize the expenditure of funds for capital improvement projects not specifically itemized herein or may supplement specific appropriations itemized therein to cope with contingencies related to elements such as first, natural disasters, or lack of state or federal funds; provided further that such contingencies create an urgent need to pursue a course of action as permitted herein; provided further that the governor to fund these projects, shall utilize projects savings or substitute projects as contained in this Act; and provided further that the governor shall report to the budget session of the Legislature on all projects affected by provisions contained herein.

**SECTION 15.** If any portion of this Act or its application to any persons or circumstances is held to be invalid for any reason, then the Legislature hereby declares that the remainder of the Act and each and every other provision thereof shall not be affected thereby. If any portion of a specific

appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and such remaining portion shall be expended to fulfill the objective of such appropriation to the extent possible.

SECTION 16. This Act, upon its passage and approval in the manner provided by the Constitution of the State, shall take effect on July 1, 1968.

(Approved May 8, 1968.)

ACT 41

S. B. 138.

A Bill for an Act Relating to an Exemption of a Portion of Pensions from the Imposition of Inheritance and Estate Taxes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Under Hawaii state inheritance tax law the pension that the surviving widow or widower receives upon the death of a worker is taxed at time of death by computing the entire pension the widow or widower may receive throughout the balance of the surviving spouse's life by using the American Experience Tables of Mortality and taxing that total as though received as a "lump sum" inheritance at the time of death of the worker. The evil of the tax as computed is at least twofold: (1) it is a tax on monies which have not been received and may never be received, if the surviving widow or widower dies sooner than expected; and (2) the tax must be paid in one lump sum at the death of the worker or within a short time thereafter, resulting in financial difficulties, and may compel the selling of assets, such as the family home, to pay the tax and settle the estate.

This oppressive tax applies with equal force if the worker had named his children, parents, brothers or sisters as beneficiaries.

It is grossly unreasonable, unjust, inhumane, and bad public policy that the objects of the bounty of hardworking employees should be subjected to such a burdensome tax after the decedent has worked a lifetime to provide for his or her loved ones. The hardship visited upon beloved survivors of deceased employees by the tax happens frequently enough since death occurs almost daily.

Hence, it is equitable, urgent and in the public interest that the Hawaii state inheritance tax as applied to the pension of workers who have named their surviving spouse, children, parents, brothers, or sisters as beneficiaries be eliminated immediately.

SECTION 2. Chapter 122, Revised Laws of Hawaii 1955, is amended by adding a new section to be numbered 122-9.5 and to read as follows:

**"§ 122-9.5. Pensions exempt.** The residual proceeds of pensions or other allowances or stipends made by an employer to a beneficiary in consid-

eration of past services of a deceased person or of the surrender of rights or emoluments shall be exempt from all taxes imposed by this chapter; provided that the exemption allowed under this section shall not apply to amounts in excess of \$30,000 of the present value of the pension computed in accordance with section 122-25."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

## ACT 42

S. B. 168.

A Bill for an Act Relating to Voting by New Residents in Presidential Elections.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The right to vote for the President and Vice President of the United States should be available to every citizen who would otherwise be qualified to vote in state elections. However, because of the one year residence requirement applicable to state elections, new residents of this State are unable to vote in the presidential election although they do not cast their vote in any other state. Accordingly, it is necessary to correct this inequity by enacting legislation which would provide a procedure whereby a new resident of this State would be able to vote in a presidential election.

**SECTION 2.** Chapter 11, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new part thereto to be designated and to read as follows:

### "PART VII. UNIFORM ACT FOR VOTING BY NEW RESIDENTS IN PRESIDENTIAL ELECTIONS

**§ 11.230. Eligibility of new residents to vote.** Each citizen of the United States who, immediately prior to his removal to this State, was a citizen of another state and who has been a resident of this State for less than one year prior to a presidential election is entitled to vote for presidential and vice-presidential electors, as provided for in section 11-39.5, at that election, but for no other offices, if

- (1) he otherwise possesses the substantive qualifications to vote in this State, except the requirements of residence and registration, and
- (2) he complies with the provisions of this Act.

**§ 11.231. Application for presidential ballot by new residents.** A person desiring to qualify under this Act in order to vote for presidential and vice-presidential electors is not required to register but on or before the last date for registration, as provided for in section 11-14, shall make an application in the form of an affidavit executed in duplicate in the presence of the clerk of the county substantially as follows:

**AFFIDAVIT ON APPLICATION  
FOR PRESIDENTIAL BALLOT  
BY NEW RESIDENT**

No. ....

State of Hawaii      }  
County of            } SS.

I, . . . . . do solemnly swear that:

1. I am a citizen of the United States.  
2. Before becoming a resident of this State, I resided at ..... Street, in the town or city  
....., County of ....., State .....

3. On the day of the next presidential election, I shall be at least 20 years of age. I have been a resident of this State since....., 19.... and am now residing at ..... Street, in the ..... precinct of the ..... representative district of ..... County.

4. I am able to speak, read and write the English or Hawaiian language.

5. I have not been convicted of any felony for which I have not been pardoned and my civil rights restored.

6. I hereby make application for a presidential and vice-presidential ballot. I have not voted and will not vote otherwise than by this ballot at the presidential election to be held on November . . . . , 19 . . . .

Signed . . . . .  
(Applicant)

Subscribed and sworn to  
before me this . . . day  
of . . . . . ,  
Signed . . . . .

19

**§ 11-232 Mailing**

§ 11-252. Mail immediately mail to the

immediately mail to the appropriate individual.

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**§ 11-233. Filing.**

The county clerk shall file each duplicate application or other official information received by him from another state indicating that a former resident of this State has made application to vote at a presidential election in another state and shall maintain an alphabetical index thereof, for a period of

**§ 11-234. Printing and delivery of ballot to applicant.** There shall be printed a special ballot containing the names of the candidates for president and vice-president of the United States which shall be used only by voters qualified to vote under this part.

If satisfied that the application is proper and that the applicant is qualified to vote under this Act, the county clerk shall deliver to the applicant a

special ballot for presidential and vice-presidential electors, as provided for above, not sooner than sixty days nor later than five days prior to the next presidential election.

**§ 11-235. Voting by new residents.** (a) The applicant, upon receiving the ballot for presidential and vice-presidential electors shall mark forthwith the ballot in the presence of the county clerk but in a manner that the official cannot know how the ballot is marked. He shall then fold the ballot in the county clerk's presence so as to conceal the markings, and deposit and seal it in an envelope furnished by the county clerk.

(b) The voter shall enclose the envelope containing the ballot in a carrier envelope which shall be security sealed. There shall be imprinted on the outside of the carrier envelope a statement substantially as follows:

**Certification of New Resident Voter.**

I have qualified as a new resident voter in this State to vote for presidential and vice-presidential electors. I have not applied nor do I intend to apply for an absentee voter's ballot from the state from which I have removed. I have not voted and will not vote otherwise than by this ballot.

Dated: .....

(Signature of Voter)

Witness: .....

(County Clerk)

The voter shall sign the certification upon the carrier envelope as set forth above, and shall then deliver the sealed carrier envelope to the county clerk, who shall keep the carrier envelope in his office until delivered by him to the election inspectors concerned.

**§ 11-236. List of applicants open for public inspection.** The county clerk shall keep open to public inspection a list of all persons who have applied under this Act to vote as new residents with their names, addresses and application dates.

**§ 11-237. Delivery and deposit of ballots.** (a) The county clerk shall prepare and deliver the ballots for new residents to the appropriate election inspectors in the manner prescribed by law for absentee ballots. The ballots shall be processed in accordance therewith.

(b) The appropriate election inspector shall record the new resident voter's name with a notation designating him as a new resident voting for presidential and vice-presidential electors only.

**§ 11-238. Challenge of new resident's vote.** The vote of any new resident may be challenged for cause. Challenges shall be handled in the manner provided for by law.

**§ 11-239. Penalties.** Any person wilfully making a false statement or affidavit under this Act shall be subject to the same penalties as provided for in section 11-212.

**§ 11-240. Application of other statutes.** Except as provided in this

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Act, the provisions of law relating to absentee ballots apply also to the casting and counting of ballots and challenging of votes by new residents, the furnishing of election supplies, ballots, canvassing of ballots, and making proper returns of the results of the election.

**§ 11-241. Definition of state.** As used in this Act "state" includes the District of Columbia.

**§ 11-242. Uniformity of interpretation.** This Act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

**§ 11-243. Severability.** If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**§ 11-244. Short title.** This Act may be cited as the Uniform Act for Voting by New Residents in Presidential Elections."

**SECTION 3.** Section 121-1, Revised Laws of Hawaii 1955, as amended, is hereby amended by amending the last sentence in the paragraph beginning with the words "'Resident' means" to read as follows:

"No person shall be deemed to have gained or lost a residence simply because of his presence or absence in compliance with military or naval orders of the United States, or by his filing an application for a presidential ballot under the 'Uniform Act for Voting by New Residents in Presidential Elections' in this State pursuant to section . . . . of this act or in any other state or while engaged in aviation or navigation or while a student at any institution of learning."

**SECTION 4.** Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

**SECTION 5.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 43**

**S. B. 185.**

A Bill for an Act Amending Section 143-16, Revised Laws of Hawaii 1955, Relating to Urban Redevelopment and Renewal.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Section 143-16 of the Revised Laws of Hawaii 1955, authorizes a local redevelopment agency to issue bonds and other obligations. Paragraph (b) of

\* Edited accordingly.

said section 143-16 provides, in part, that such bonds and other obligations shall not be a debt of the United States and the United States shall not be liable thereon. However, section 102 of the Federal Housing Act of 1949, as amended, provides that, if a local redevelopment agency obtains loan funds from sources other than the Federal Government, the United States may consent to a pledge by such agency of the federal loan and grant contract as security for the loan and may agree to pay off such loan obligations from federal funds. Consequently, there is an ambiguity between local and federal law.

A local redevelopment agency has been apprised of such ambiguity and informed that sales of its loan notes may be jeopardized in the future. Any factor adversely affecting the sales of such notes will impede and delay the undertaking and completion of urban redevelopment and renewal projects within the State of Hawaii. Thus this Act is considered an urgency measure deemed necessary for the public interest.

SECTION 2. Paragraph (b) of section 143-16 of the Revised Laws of Hawaii 1955 is hereby amended by amending the second sentence to read as follows:

"The bonds and other obligations of the agency (and such bonds and obligations shall so state on their face) shall not be a debt of the county or the State and neither the county nor the State shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any county or state funds or properties other than those of the agency acquired for the purposes of this part."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1968.)

#### ACT 44

S. B. 186.

A Bill for an Act Relating to Assaults, Battery, and Affray, and Amending Section 264-5 of the Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Act 243 of the Regular Session of the Fourth State Legislature, 1967, provided that certain aggravated offenses which had been previously classified as misdemeanors be felonies. These offenses are included in § 264-5A. When reading § 264-5A in pari materia with § 264-5, as amended, it is not clear whether or not assaults and batteries against public officers while in the performance of their duties, when committed with a weapon likely to produce bodily harm, or whether grievous bodily harm is actually sustained by the public officer, are covered by § 264-5A as was obviously intended by the Legislature.

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For this reason it is necessary and urgent that the technical amendment provided for in this measure do pass so that public officers may receive the protection afforded all other citizens by § 264-5A.

SECTION 2. Section 264-5 Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"§ 264-5. Whoever under circumstances not amounting to a crime specified in sections 264-3, 264-4 and 264-5 commits an assault or a battery

(a) upon any public officer while in the performance of his public duties, with intent to resist, prevent, hinder or obstruct such officer in the discharge or execution of any of his public duties or

(b) by any means intended or likely to humiliate, degrade or sicken another,

shall, unless a greater penalty is otherwise provided by law, be fined not more than \$1,000 or imprisoned not more than one year, or both."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1968.)

ACT 45

S. B. 410.

A Bill for an Act Relating to Motor Vehicle License Tags and Windshield Emblems.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The year 1969 has been designated by the lieutenant governor as the year during which the number plates for motor vehicles will be replaced. There is an urgent need to conform to present safety standards by providing for reflectorized license plates, and it is essential that the entire system of issuing plates and providing evidence of the payment of vehicle taxes through tags or emblems be revised at the same time. This bill will greatly increase the efficiency and lower the cost of administration in issuing the annual tags and emblems for vehicle taxes. It is essential that the amendment of section 130-7, Revised Laws of Hawaii 1955, be passed during 1968 so that the program can be implemented during 1969, the year designated for the changing of our license plates; otherwise the entire program will have to wait several years of its implementation.

SECTION 2. Section 130-7, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"§ 130.7 Number plates. Upon receipt of the tax the treasurer shall number and register the vehicle in the owner's name in a permanent record or book to be kept by him for this purpose, and shall furnish the owner thereof with a receipt showing upon its face the license number issued for

the vehicle and the fact that the license tax has been paid thereon for the whole of the remainder of the current year in which the receipt is issued. The treasurer shall also furnish the owner, upon the original registration of the vehicle, two number plates for the vehicle or one plate in the case of trailers, semi-trailers or motorcycles with the registration number marked thereon. The rear number plate shall have impressed thereon the year for which that series of number plates was first issued and during that year the number plates alone shall be evidence of the payment of the license tax. For original registration in subsequent years and upon the payment of the tax for each year subsequent to the year of original registration, a tag or emblem bearing a serial number and with the year of issue marked thereon, or both. Transfer of current number plates, tag or emblem, except as authorized by this chapter or by chapter 160, is declared a misdemeanor, punishable by a fine of not more than \$50 for each offense.

Upon an original registration the treasurer shall fix, and shall charge to the owner, a fee equal to the cost of the number plate and tag or emblem plus the administrative cost of furnishing such plate and tag or emblem and effecting the registration. Upon the issuance of a new series of number plates as determined by the lieutenant governor, the treasurer shall charge the owner a fee equal to the costs of the number plate plus the administrative cost of furnishing such plates. Upon issuing a tag or emblem in subsequent years, the treasurer shall charge the owner a fee of 50 cents. The owner shall securely fasten the number plates on the vehicle, one on the front and the other on the rear thereof, in such a manner as to prevent the plates from swinging and at a minimum of twelve inches from the ground. Number plates shall at all times be displayed entirely unobscured and be kept reasonably clean. In the case of trailers, semi-trailers or motorcycles, one plate shall be used and it shall be fastened to the rear thereof.

Upon the issuance of the tag or emblem in any year in which the number plates do not evidence the payment of the current year's tax and for each year subsequent to the year of the initial payment of the tax and the original registration of the vehicle, the owner shall affix the tag or emblem to the rear number plate.

After the initial payment of the tax and the original registration of a vehicle as herein specified, a motor vehicle shall not be required to be reweighed in any succeeding year unless it has been so altered or changed as to increase or diminish its weight. No new number plates shall, however, be issued to a new owner except as provided in section 130-8.

Should an owner of a vehicle registered in any county, upon the disposition of the vehicle, request that the license plates be furnished to him with respect to the registration of the vehicle be assigned to another vehicle subsequently acquired by him, the assignment may be made by the treasurer at his discretion. To defray additional administrative costs incurred by acceding to such requests, the treasurer shall charge a fee of \$5 for each such reassignment of license plates, in lieu of the fee for registration provided hereinafter.

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The procedure for registering the vehicles shall otherwise be identical with that provided by this section.

The treasurer shall, on or before the fifth day of each month, send to the chief of police of the county a list of the numbers issued by him and of changes in ownership recorded by him during the preceding month, together with a general description of the vehicles and the name and address of the owner to whom issued or registered. The chief of police shall retain each such list as a permanent record of his office."

**SECTION 3.** Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

**SECTION 4.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 46**

H. B. 13.

A Bill for an Act Relating to Residential Leaseholds, the Acquisition by the State Through Condemnation of Lands in Fee Simple and the Disposition Thereof, and the Rights of Lessees, and Amending Act 307, Session Laws of Hawaii 1967.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Act 307, Session Laws of Hawaii 1967, provides for the acquisition of residential leaseholds by the State through condemnation and the sale of the fee simple title of leaseholds to lessees. It also fixes some of the rights and obligations of lessors and lessees of residential house lots. The Act delays the effective date of a portion of the Act to July 1, 1969. The delayed effective date was specified, because at the time Act 307 was passed, it was the intent of the legislature to reexamine this land act during the interim and to make such amendments, as necessary, at this session of the legislature. In the interim between the last session and this session of the legislature, both the Senate and the House of Representatives authorized their committees on land to re-examine: (1) the lessor-lessee relationships established by the act; (2) the method of determining the value of the lessor and the lessee's interest in condemnation; (3) the possible tax consequences of the act; and (4) the method of sharing condemnation proceeds between the lessor and others who may be entitled to portions of the lease rentals. The interim committees have held hearings, made findings and have arrived at conclusions which require the amendment of the act. It is therefore urgent and in the public interest that the findings and conclusions of the interim committees on land be implemented as amendments to Act 307, Session Laws of Hawaii 1967, during this session.

\*Edited accordingly.

**SECTION 2.** Act 307, Session Laws of Hawaii 1967, is amended as follows:

a. Amend subsection (a) of section 2 of the Act to read as follows: "(a) 'Lease' means a conveyance of land by a fee simple owner as lessor, or by a lessee or sublessee as sublessor, to any person, in consideration of a return of rent or other recompense, for a term, measured from the initial date of the conveyance, (1) exceeding thirty-five years (including any periods for which the lease may be extended or renewed at the option of the lessee) as to leases existing and in force on the date of approval of this act, or (2) exceeding twenty years (including any periods for which the lease may be extended or renewed at the option of the lessee) as to leases executed after the date of approval of this act."

b. Delete subsection (h) of section 2, and insert in lieu thereof, the following subsection: "(h) 'offsite improvements' means all physical improvements such as, but not limited to, roads, sewer lines, sewage treatment plants, and underground electric cables, constructed or placed in a subdivision off the lots intended for occupancy, which improvements are to be used in common by occupants of all lots adjoining such improvements or by occupants of all lots for whose benefit the improvements have been constructed or placed."

c. Delete subsection (i) of section 2 of the Act.  
d. Reletter subsections (j) to (m) of section 2 as subsections (i) to (l).

e. Amend section 13 to read as follows:

**"SECTION 13. Compensation.** The compensation to be paid for the development tract shall be the current fair market value of the tract, valued as if the fee title to the tract were unencumbered and the tract were undeveloped and unsubdivided, plus the unpaid balance owing to the lessor by lessees of the lots in the tract as reimbursement for the actual offsite improvement costs paid for by the lessor; provided, that in no event shall the compensation be less than the sum of the present worth of the future rental income stream under the leases to lots in the tract and the present worth of the lessor's reversionary interest in the leased lots. The compensation shall be determined as of the date of the designation of the development tract for acquisition."

f. Amend the first sentence of section 18 to read as follows: "Except in case of a sale of the leased fee interest to the lessee of a residential lot under lease, no sale or lease of any residential lots shall be made by the authority unless it has published on at least two different days in a newspaper of general circulation in the county, a notice of its intent to sell or lease."

g. Amend subsection (a) of section 23 to read as follows: "(a) If the purchaser of a fee simple title or leased fee is unable to obtain sufficient funds at reasonable rates from private lenders, the authority may, by way of mortgage, agreement of sale or other instruments to secure the indebtedness, loan to the purchaser up to ninety per cent of the purchase price."

h. Re-number section 25 as section 26, and re-number all succeeding sections accordingly.

i. Add a new section 25 to read as follows:

**"SECTION 25. Foreclosure and sale by mortgagees.** If the leased fee, fee simple title or lease to a lot, purchased or acquired from the authority under this act is secured by a mortgage held by a lending institution authorized to do business as a lending institution either in the State or elsewhere in the United States, upon foreclosure of the mortgage, the leased fee, the fee simple title or the lease may be sold to any purchaser, including the holder of the mortgage, without regard to whether or not the purchaser is qualified under the provisions of this chapter to own or otherwise acquire the leased fee, the fee simple title, or the lease. The mortgage so held, and the interest so acquired by the purchaser on such foreclosure, shall be freely assignable, notwithstanding the provisions of section 24. The term, "lending institution," includes an insurer or guarantor of the obligation or condition of the mortgage, including the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, or any other federal agency and their respective successors and assigns or any lending institution authorized to do business in the State or elsewhere in the United States; provided, that the rights and powers of nongovernmental holders of mortgages shall not be any greater than those of the aforementioned federal agencies.

Notwithstanding any provision in this act to the contrary, in sales by the authority of the leased fee or the fee simple title, or in leases of lots, the authority may waive or modify any restrictions contained in this act, if such waiver or modification is necessary to enable any of aforementioned federal agencies or any lending institution authorized to do business in the State or elsewhere in the United States to participate in any loan secured by a mortgage on the leased fee, the fee simple interest or the lease; provided any such waiver or modification shall not confer any greater rights or powers in the holder than those which would be required by the Federal Housing Administration."

j. Amend the first paragraph of section 34 to read as follows: "Except as otherwise expressly provided, this part applies to all leases of residential lots existing and in force on the date of approval of this act and to all leases of residential lots executed thereafter."

k. Amend section 36 to read as follows:

**"SECTION 36. Free assignability.** Except as otherwise provided in section 24, a lessee may assign his lease at any time without the approval or consent of the lessor, and the assignee shall have the same rights and obligations under the lease as the original lessee; provided, that no such assignment shall be effective to transfer any interest in the lease unless the lessor has received (a) either a true executed copy of such assignment or written notice thereof, (b) a reasonable service charge, except in case of an assignment by way of mortgage or assignment to or by the Federal Housing Administration or Veterans Administration or the Federal National Mortgage Association or

a foreclosure of mortgage or assignment in lieu of foreclosure, and (c) the written undertaking of the assignee to perform all obligations of the lessee under the lease, which undertaking may be incorporated in such assignment. No such assignment shall release the assignor from liability under the lease unless the lessor consents in writing to the assignment. A consent to the assignment shall be deemed a consent to the release of the assignor from liability under the lease. The lessor shall not require payment of any money for his consent except the service charge, nor withhold such consent unreasonably. Any person acquiring the leasehold estate in consideration of the extinguishment of a debt secured by mortgage of the lease or through foreclosure sale, judicial or otherwise, shall be liable to perform the obligations imposed on the lessee by the lease only during the period such person has possession or ownership of the leasehold estate."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

## ACT 47

H. B. 148.

A Bill for an Act Relating to the Net Income Tax and Amending Chapter 121, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Presently, the rule governing divorced or separated parents, is that the parent who contributes more than one-half of the support of a child during the year is entitled to the personal exemption of that child. Very often, the parent who had custody of the child during a much greater portion of the year, tends to feel entitled to the exemption even though unable to prove greater contribution from a strictly accounting sense. Such parent almost invariably points to innumerable outlays which attend custody, but as to which a parent normally fails to keep minute accounting. On the other hand, the other parent very frequently challenges such claim, either in good faith, or sometimes out of simple animosity. Thus, the present law is unsatisfactory, as it tends, in many instances, to aggravate domestic strife, and also because it tends to render uncertain the equitable administration of the tax laws.

In an effort to solve this problem, Congress enacted Public Law 90-78 in 1967, which allows the personal exemption to the parent having custody for a greater portion of the calendar year, except—(1) when written agreement or court decree provides otherwise and the parent not having custody contributes at least \$600; or (2) when the parent not having custody contributes \$1,200 or more and the parent having custody is unable to clearly establish greater contribution.

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Although under the rule established by Public Law 90-78, uncertainty will remain for those cases where both parents claim contributions of over \$1,200, it does set out guidelines for parents of less contributive capacity which will afford them definite predictability.

To enable divorced and separated parents of this State to have their rights to personal exemptions under the Hawaii income tax law resolved consonantly with Public Law 90-78, it is necessary to amend Chapter 121 of the Revised Laws of Hawaii 1955. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

**SECTION 2.** Section 121-1.01 of the Revised Laws of Hawaii 1955, as amended, is further amended by respectively adding after the end of Column II (the right hand column) and correspondingly and in parallel in Column I (the left hand column), the following:

Taxable years beginning January 1, 1967	Public Law 90-78 Section 1.
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**SECTION 3.** This Act, upon its approval, shall apply for taxable years stated in Section 2.

(Approved May 8, 1968.)

**ACT 48**

H. B. 152.

A Bill for an Act Relating to Highway Safety and Amending Act 214, Session Laws of Hawaii 1967, and Certain Chapters in Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The Highway Safety Act of 1966 was passed by Congress and enacted into law on September 9, 1966. Title I of the Act provided for the establishment of a highway safety program in each state and provided that each program shall be developed in accordance with uniform standards promulgated by the Secretary of Commerce. Title I also provided that no funds appropriated under the Act would be apportioned after December 31, 1968, to any state which is not implementing a highway safety program approved by the Secretary and that any federal-aid highway funds apportioned on or after January 1, 1969, to any state which is not implementing a highway safety program approved by the Secretary by that time shall be reduced by ten per cent.

Although the Hawaii Highway Safety Act forms the foundation for the Hawaii highway safety program, amendment of that Act is urgently required: (1) so that the State's highway safety program will meet the program standards issued by the Secretary of Transportation and the State may, prior to December 31, 1968, actively implement a highway safety program developed

in accordance with the standards; (2) to improve state progress towards the goal of increased highway safety; and (3) to make harmonizing and clarifying amendments to Act 214, Session Laws of Hawaii 1967, and the Revised Laws of Hawaii 1955.

**SECTION 2.** Section 2 of Act 214, Session Laws of Hawaii 1967, is amended in the following respects:

(a) Section 2 of the new chapter added thereunder is amended by amending the definition of "Chauffeur" to read as follows:

"'Chauffeur' means every person who drives a motor vehicle while in use as a public or common carrier of persons or property."

(b) Section 8 of the new chapter added thereunder is amended by adding at the end a new paragraph to read as follows:

"Any person conducting construction, maintenance, surveying, or other work on or adjacent to any public street or highway or any street where traffic regulations are imposed by state or county authority who violates the rules and regulations governing the use of traffic control devices at such work sites shall, in addition to any other penalty imposed by law, be fined not more than \$1,000 or imprisoned not more than one year, or both."

(c) Sections 26 to 28 of the new chapter added thereunder are amended to read as follows:

**"Sec. -26. Permits to operate official inspection stations.**

(a) Each county, through its legislative body, shall designate a county department, referred to in this section and sections -27 and -28 as 'the department', whose responsibility shall include the issuance of permits for and the furnishing of instructions and all forms to official inspection stations within the respective county. The stations shall operate in the manner directed by the department pursuant to standards established by the state highway safety coordinator.

(b) Application for an official inspection station permit shall be made upon an official form and shall be granted only when the department is satisfied that the station is properly equipped and has competent personnel to make the required inspections. Before issuing a permit, the department shall require the applicant to file a bond in the amount of \$2,000 assuring that he will make compensation for any damage to a vehicle during an inspection due to negligence on his part or that of his employees; provided that the bond need not be filed by an applicant who shall inspect only vehicles owned by the applicant.

(c) A permit for an official station shall not be assigned or transferred or used at any location other than that designated by the department and every said permit shall be posted in a conspicuous place at the location so designated.

**Sec. -27. Suspension or revocation of permits.** The department shall supervise and cause inspections to be made of official inspection stations and shall suspend or revoke and require the surrender of the permit issued to a station which he finds is not properly conducting inspections. The

department shall maintain and post at its office lists of all stations holding permits and those whose permits have been suspended or revoked.

**Sec. -28. Improper representation as official inspection station.** Any person who shall in any manner represent that the business operated at any location is an official inspection station without a permit issued by the department under section -26, or any person other than a person operating an inspection station under a permit granted by the department who issues a certificate of inspection shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

(d) Section 96 of the new chapter added thereunder is amended by adding at the end of paragraphs (1) and (2) a sentence to read as follows:

"For the purposes of meeting the requirements of this paragraph, a required device must meet the specifications and requirements established by rules and regulations adopted by the state highway safety coordinator."

(e) Part VIII of the new chapter added thereunder is amended to read as follows:

**"PART VIII.  
TRAFFIC RECORDS**

**Sec. -180. State-wide traffic records system.** (a) There is established a state-wide traffic records system. The state highway safety coordinator shall be responsible for the administration and operation of the system and for this purpose shall adopt necessary rules and regulations pursuant to Chapter 6C.

(b) The state-wide traffic records system shall include all traffic records of the violation bureaus of the district courts, the circuit courts, the police departments, the county treasurers, the department of health and the department of education.

**Sec. -181. Furnishing of information.** Subject to authorization granted by the chief justice with respect to the traffic records of the violations bureaus of the district courts and of the circuit courts, the state highway safety coordinator shall furnish information contained in the state-wide traffic records system (1) with respect to any individual only in response to a request from a state, a political subdivision of a state or a federal department or agency, or other persons as is provided by rules and regulations adopted by the coordinator pursuant to Chapter 6C or (2) with respect to data and without identification of any individual only for research purposes the coordinator deems to be necessary and advisable."

**SECTION 3.** Section 137 of the new chapter established by Act 214, Session Laws of Hawaii 1967, and as amended by section 13 therein, is amended in the following respects:

(a) By adding at the end of subsection (a) two items to read as follows:

"(32) Operating a motorcycle or motor scooter while carrying as a passenger or permitting to ride thereon a person under the age of seven years . . . 0 to 2.

(33) Failure to report to the district court for a review of driving record or failure to attend required driver retraining course . . . . 0 to 2."

(b) By adding at the end two subsections to be designated and to read as follows:

"(m) Upon determination and order by a district magistrate that a person has accumulated six points within a twelve-month period, the licensee shall report in person for a review of his driving record with the magistrate as directed by the magistrate if the licensee is present in court. If the licensee is not present in court when the district magistrate makes a determination and order that the licensee has accumulated six points within a twelve-month period and is directed to report in person for a review of his driving record, then the clerk of the district court shall notify the licensee in writing by certified mail, return receipt requested, to addressee only, that the licensee is directed to report in person, within fifteen days after receipt of the notice to report, for a review of his driving record with the magistrate. At the review, the magistrate may order a licensee who has accumulated six points within a twelve-month period to attend a course of instruction in driver retraining by a designated driver instructor or driver training school. Any person who fails to report in person for a review of his driving record with the magistrate as required by this subsection or who fails to attend a course of instruction in driver retraining pursuant to the order of the magistrate as required by this subsection shall be fined not more than \$100 or imprisoned not more than thirty days, or both.

(n) At the end of the period for which a person's operator's or chauffeur's license has been suspended under this part when the person's license is reinstated, all points assessed against the person, except for six, shall be set aside."

SECTION 4. Section 20 of Act 214, Session Laws of Hawaii 1967, is amended by amending the new section in chapter 311 to read as follows:

**"Sec. 311- . Riders and passengers under seven years of age on motorcycles and motor scooters prohibited; penalty.** It shall be unlawful for any operator of a motorcycle or motor scooter to carry as a passenger or to permit to ride thereon any person under the age of seven years. A motorcycle or motor scooter operator who violates this section shall be fined not more than \$200."

SECTION 5. Section 120 of the new chapter, established by Act 214, Session Laws of Hawaii 1967, is amended so that the third and fourth sentences read as follows:

"Each application for an instruction permit shall be accompanied by a fee to be determined by the board of supervisors or council of each county and each application for an operator's or chauffeur's license shall be accompanied by the fee, unless the applicant has already paid the fee upon application for an instruction permit in the same county, in which event no fee shall be chargeable. An additional fee to be determined by the board of supervi-

sors or council of each county shall be charged and collected upon the issuance of an operator's or chauffeur's license."

SECTION 6. This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 49**

H. B. 255.

A Bill for an Act Relating to Student Loans and Amending Chapter 44B of the Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The federal loan insurance program as defined and authorized by Public Law 89-329 and Public Law 89-287, and which provided students beyond high schools a means of securing loans for their education, will expire on June 30, 1968. The Second Session of the 90th Congress is considering the extension of the program and proposals for the amendment of the program in several respects. It is urgent and in the public interest that Chapter 44B of the Revised Laws of Hawaii 1955, as amended, be changed, thus insuring for the students in Hawaii the availability of uninterrupted financial assistance for the purpose of continuing or completing their education.

SECTION 2. Chapter 44B, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

**"CHAPTER 44B. STUDENT LOAN FUNDS**

§ 44B-1. **Participation in United Student Aid Funds, Inc. or other similar public or private nonprofit corporations.** The department of budget and finance is hereby authorized to enter into a contract with the United Student Aid Funds, Inc., or such other public or private nonprofit corporations as may be designated by or established pursuant to Public Law 89-329, Public Law 89-287 or similar federal laws, relating to loans to students. Such contract may be amended or revised by the department to assure the full utilization of benefits provided by Public Law 89-329 and Public Law 89-287 and similar federal laws.

§ 44B-2. **Eligibility.** All students meeting the requirements of and attending institutions meeting the accreditation standards of Public Law 89-329 and Public Law 89-287 or similar federal laws shall be eligible for loans guaranteed under this program.

§ 44B-3. **Capacity of minors.** Any student otherwise qualifying for a loan under the provisions of this Act shall not be disqualified by reasons of his being under the age of twenty years, and for the purpose of applying for, receiving and repaying such loan, any such person shall be deemed to have

full legal capacity to act and shall have all rights, powers, privileges and obligations of an adult, with respect thereto.

**§ 44B-4. Rules and Regulations.** The department of budget and finance is authorized to establish rules and regulations relating to the participation of eligible institutions as defined in Public Law 89-329 and Public Law 89-287 or similar federal laws, allocation of available loan funds among the several participating eligible institutions, definition of necessary terms, and other matters relating to the program."

**SECTION 3.** Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

**SECTION 4.** This Act shall take effect upon its approval.

\* Edited accordingly.

(Approved May 8, 1968.)

## ACT 50

H. B. 271.

A Bill for an Act Relating to Pay of Public Employees on Active Military Service and Amending Section 5-46, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

At present, a public officer or employee is provided fifteen days of "military leave" with pay in a calendar year while on active duty or during periods of camp training or field maneuvers as a member of the national guard or organized reserves of the armed forces. Since the military forces operate on a fiscal year basis, in occasional instances training held within the last six months of one fiscal year and the first six months of the succeeding fiscal year will result in two such training periods falling within one calendar year. An employee caught within such circumstances is allowed only one fifteen-day period of military leave in a calendar year and must therefore use his annual leave to absent himself from his work for the second mandatory period of training in the calendar year. It is therefore urgent and in the public interest that this inequity be corrected by permitting such employees to take "military leave" if they are called to active duty for training purposes a second time within a calendar year.

**SECTION 2.** Section 5-46, Revised Laws of Hawaii 1955, is amended by substituting a comma for the period at the end and adding thereafter the following:

"except that if he is called to active duty or otherwise required to report for camp training or field maneuvers by official military orders a second time within a calendar year, he may elect to use the fifteen working days of the succeeding calendar year which he is entitled to for such purposes within the

current calendar year; provided that his entitlement to such fifteen working days under this section for the succeeding calendar year shall be cancelled and he shall so agree in writing."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 51**

H. B. 314.

A Bill for an Act Relating to Insurance Contracts and Hospital or Medical Service Plan Contracts for Mentally Retarded and Handicapped Children; Repealing Act 65, Session Laws of 1967; and Amending Chapters 181 and 185, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Act 65, Session Laws of Hawaii 1967, had for its purpose to maintain health coverages for mentally retarded and other physically handicapped children after they reached the age of nineteen years. After passage of the Act, it became apparent that because of the lack of operational guidelines in the Act it became difficult or impossible for the various health plans to operate under the Act. Because of the difficulties encountered under Act 65 and so as to not nullify the principal purpose of the Act, this corrective legislation is needed.

**SECTION 2.** Act 65, Session Laws of Hawaii 1967, is hereby repealed.

**SECTION 3.** Chapter 181, Revised Laws of Hawaii 1955, is amended by adding new sections 181-448 and 181-449 to read as follows:

**"§ 181-448. Individual contract limitations for mentally retarded and handicapped children.** An individual life insurance policy, hospital or medical expense insurance policy, delivered or issued for delivery in this State after the effective date of this Act, which provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the policyholder for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer by the policyholder within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer but not more frequently than annually after the two year period following the child's attainment of the limiting age.

**§ 181-449. Group contract limitations for mentally retarded and handicapped children.** A group life insurance policy, hospital or medical expense insurance policy, delivered or issued for delivery in this State after the effective date of this Act, which provides that coverage of a dependent child of an employee or other member of the covered group shall terminate upon attainment of the limiting age for dependent children specified in the policy shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the employee or member for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer by the employee or member within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer but not more frequently than annually after the two year period following the child's attainment of the limiting age."

SECTION 4. Chapter 185, Revised Laws of Hawaii 1955, is amended by adding new sections 185-20 and 185-21 to read as follows:

**"§ 185-20. Individual contract limitations for mentally retarded and handicapped children.** An individual hospital or medical service plan contract, delivered or issued for delivery in this State after the effective date of this Act, which provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the policyholder, member or subscriber for support and maintenance, provided proof of such incapacity and dependency is furnished to the hospital service association or medical indemnity association by the policyholder or subscriber within 31 days of the child's attainment of the limiting age and subsequently as may be required by such association.

**§ 185-21. Group contract limitations for mentally retarded and handicapped children.** A group hospital or medical service plan contract, delivered or issued for delivery in this State after the effective date of this Act, which provides that coverage of a dependent child of an employee or other member of the covered group shall terminate upon attainment of the limiting age for dependent children specified in the contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the employee or member for support and maintenance, provided proof of such incapacity and dependency is furnished to the hospital service association or medical indemnity association by the employee, member or subscriber within 31 days of the child's

attainment of the limiting age and subsequently as may be required by such association."

**SECTION 5.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 52**

H. B. 380.

A Bill for an Act Amending Act 299, Session Laws of Hawaii 1967, Relating to Establishing a Progressive Neighborhoods Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Act 299 provides a functional approach of meeting the economic, health, and social problems of the Waianae and the Nanakuli areas. Due to the fact that the Kalihi and Palama areas have common problems with those of the Waianae and the Nanakuli areas, they should be added to the Program.

It is an urgent matter and in the general welfare of the State to take remedial action in the Kalihi and Palama areas where consistent low family income, chronic unemployment, dilapidated and overcrowded housing, low educational achievement, high rates of ill health and illegitimacy, major incidence of adult and juvenile offenses, and economic assistance to families and needy children occur one with the other in severe degrees.

**SECTION 2.** Act 299, Session Laws of Hawaii 1967, is hereby amended as follows:

1. Section 4(a) is amended by deleting the sentence which reads "The task force shall also include three citizens of the target area" and inserting in lieu thereof "The task force shall also include at least three citizens of the target area, the exact number being left to the discretion of the Governor."

2. Section 9 is amended to read as follows: "**Authorization.** The department of health is authorized to establish two children and youth projects, one at Nanakuli-Waianae area and one in the Kalihi-Palama area to provide comprehensive health services for the children and youths of these areas."

3. Section 13, the last sentence of which is amended to read as follows: "The funds authorized under this part shall first be used on a demonstration basis for the Waianae-Nanakuli and the Kalihi-Palama areas."

4. Section 15 is amended to read as follows: "**Authorization.** The department of social services is authorized to establish a social worker position subject to chapters 3 and 4, Revised Laws of Hawaii 1955, for the purpose of this part; provided that this position shall be assigned to the Waianae-Nanakuli and the Kalihi-Palama areas on a detached basis, primarily

for the purpose of community organization work and strengthening participation by the children and youth of these areas in recreational programs."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 8, 1968.)

**ACT 53**

**S. B. 330.**

A Bill for an Act Relating to Farm Loans.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The higher cost of operating a farm and the tight-money market have heightened the financial difficulties of farmers in our State. The ceilings set in the amount of farm loans available to eligible applicants under chapter 102 and the restriction in the interest rate which a private lender may charge on farm loans in which the department of agriculture participates, are serving to defeat the purpose of the farm loans under chapter 102 to promote the agricultural development of the State. The ceilings on the amount of the farm loans are unrealistic by today's standards because it is no longer economically feasible to operate a small farm, and the costs of labor, equipment and marketing and construction have substantially increased in recent years. Since one of the State's long-range goals is to achieve diversity in our economy by helping the farmers, it is urgent and necessary in the public interest that this bill be enacted immediately.

**SECTION 2.** Section 102-4, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new subsection thereto to read as follows:

"Set the rate of interest for farm loans on the basis of availability of money within the market; provided, however, that in no case shall the rate of interest exceed the interest rate as provided for within this chapter."

**SECTION 3.** Section 102-5 (c), Revised Laws of Hawaii 1955, as amended, is hereby amended by amending subsection (c) to read as follows:

"(c) Interest charged on an insured loan made under the provisions of this section shall not be more than the sum of two per cent above the lowest rate of interest charged by all banks, either commercial banks within the meaning of section 178-3, Revised Laws of Hawaii 1955, as amended, or national banks excepted under section 178-10, Revised Laws of Hawaii 1955, as amended, doing business in the State of Hawaii, on unsecured short term loans made to borrowers who have the highest credit rating with such banks."

**SECTION 4.** Section 102-6 (c), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(c) Interest charged on the private lender's share of the loan shall not be more than the sum of two per cent above the lowest rate of interest charged by all banks, either commercial banks within the meaning of section 178-3, Revised Laws of Hawaii 1955, as amended, or national banks excepted under section 178-10, Revised Laws of Hawaii 1955, as amended, doing business in the State of Hawaii, on unsecured short term loans made to borrowers who have the highest credit rating with such banks."

SECTION 5. Section 102-6 (f), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(f) Out of interest collected, the private lender may be paid a service fee to be determined by the department which fee shall not exceed one per cent of the unpaid principal balance of the loan, provided that this fee shall not be added to any amount which the borrower is obligated to pay."

SECTION 6. Section 102-8 (c), Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending subsection (c) to read as follows:

"(c) Loans made under this section shall bear simple interest on the unpaid principal balance, charged on the actual amount disbursed to the borrower. Interest on loans of classes "A" through "C" and class "E" shall not exceed six per cent per annum; provided, if the money loaned is borrowed by the department of agriculture, State of Hawaii, then the interest on loans of such classes shall not exceed six per cent per annum or one per cent over the cost to the State of borrowing the money, whichever is greater. Interest of class "D" loans shall not exceed three per cent per annum."

SECTION 7. There is hereby appropriated out of the general revenues of the State of Hawaii, not otherwise appropriated, the sum of \$250,000 to the Farm Loan Revolving Fund for the purpose of said fund.

SECTION 8. This Act shall take effect on July 1, 1968; provided that it shall not affect any loans in existence as of the effective date of this Act.

(Approved May 9, 1968.)

**ACT 54**

S. B. 365.

A Bill for an Act Relating to Security for Airport Revenue Bonds and Amending Act 195, Session Laws of Hawaii 1965, Act 38, Session Laws of Hawaii 1966, and Act 217, Session Laws of Hawaii 1967.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 13, Act 195, Session Laws of Hawaii 1965, section 14, Act 38, Session Laws of Hawaii 1966, and section 12, Act 217, Session Laws of Hawaii 1967, are hereby amended in their entirety to read as follows:

"The department of transportation is further authorized to issue airport revenue bonds for airport projects authorized by this Act to be financed by airport revenue bonds, in such principal amount as shall be required to yield

the amounts appropriated by this Act from airport revenue bond funds for such projects, plus if so determined by the department and approved by the Governor, such additional amounts as may be deemed necessary by the department to pay interest on such revenue bonds during the construction period and for six months thereafter, to establish, maintain or increase reserves for the airport revenue bonds and to pay the expenses of issuance of such bonds. The aforementioned airport revenue bonds shall be issued pursuant to provisions of part III, chapter 137, Revised Laws of Hawaii 1955, as amended. The principal and interest of airport revenue bonds, to the extent not paid from the proceeds of such bonds, shall be secured only by the revenues from airports and related facilities under the ownership of the State and operated and managed by the department or such part thereof as the department may determine, including rents, landing fees and other fees or charges presently or hereafter derived from or arising through the ownership, operation and management of airports and related facilities and the furnishing and supplying of the services thereof. Such security shall not include any taxes and no holder or holders of any bonds shall ever have the right to compel any exercise of the taxing power of the State to pay the bonds or the interest thereon and such bonds shall not constitute a debt of the State within the meaning of any limitation of law. The expenses of the issuance of such airport revenue bonds shall to the extent not paid from the proceeds of such bonds be paid from airport special funds. The Governor, in his discretion, is authorized to use airport special funds to finance those projects in section 1 where the method of financing is designated to be by airport revenue bond funds."

**SECTION 2.** This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 55**

H. B. 47.

A Bill for an Act Relating to Group Life Insurance.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The legislation enacted to provide group life insurance benefits to public officers and employees has created an inequity. Those who are now participating in the group life insurance programs of the employee organizations cannot participate in the state program. It is urgent that this situation be corrected and that the employee be given an option to participate in one or both of the plans.

**SECTION 2.** Section 5A-13.1 of the Revised Laws of Hawaii 1955, as set forth in Act 110, Session Laws of Hawaii 1967, is amended by adding a new subsection to read as follows:

"(c) Subsections (a) and (b) notwithstanding, an employee who is participating in a group life insurance program of an employee organization may continue such plan and pay all of the premiums required while participating under subsection (a) for which the State shall contribute \$2.25 per month; provided that no employee shall have more than one allotment of \$2.25 per month."

SECTION 3. This Act shall take effect on January 1, 1969.

(Approved May 9, 1968.)

**ACT 56**

H. B. 211.

**A Bill for an Act Relating to Real Property Taxes.**

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The provisions of subsection 128-9 (g) of the Revised Laws of Hawaii 1955 presently provide that in the determination of buildings for real property tax assessment purposes that any maintenance or repairs voluntarily made to residential buildings undertaken by an owner-occupant to comply with the requirements of health, safety, sanitation, or any governmental code provisions should not result in any increased valuation of such buildings for a period of six (6) years from April 8, 1966.

This provision with a specific cut-off date of April 7, 1972, would work an injustice to owner-occupants who maintain or repair their residential buildings subsequent to April 8, 1966 to comply with health requirements. It is deemed urgent and in the public interest to extend the relief from increased valuation of real property for real property tax purposes by making the period seven years from the completion of improvements to the property rather than six years from April 8, 1966.

SECTION 2. Purpose. The purpose of this Act is to extend the relief from increased valuation of real property for real property tax purposes provided for in section 128-9 (g), Revised Laws of Hawaii 1955, by making the duration of the moratorium set forth therein seven years from the completion of improvements to the property rather than six years from April 8, 1966, and to provide such other relief as may be appropriate.

SECTION 3. Means. Section 128-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the second and third paragraphs of subsection (g) thereof and substituting the following:

"In determining the value of buildings, consideration shall be given to any additions, alterations, remodeling, modifications or other new construction, improvement or repair work undertaken upon or made to existing buildings as the same may result in a higher assessable valuation of said buildings,

provided however that, (1) any increase in value resulting from any additions, alterations, modifications or other new construction, improvement or repair work to buildings undertaken or made by the owner-occupant thereof pursuant to the requirements of any urban redevelopment, rehabilitation or conservation project under the provisions of part II of chapter 143 of the Revised Laws of Hawaii 1955, as amended, shall not increase the assessable valuation of any building for a period of seven (7) years from the date of certification as hereinafter provided and (2) any increase in value resulting from any maintenance or repairs to any residential buildings undertaken or made by the owner-occupant thereof (who occupies the entire building) pursuant to any requirements of any health, sanitation, safety, or other governmental code provisions, shall not increase the assessable valuation of any such building for a period up to and including April 11, 1972.

It is further provided that the owner-occupant shall file with the director of taxation, in the manner and place which the director may designate, a statement of the details of the improvements certified in the following manner: (1) in the case of additions, alterations, modifications or other new construction, improvement or repair work to a building that are undertaken pursuant to any urban redevelopment, rehabilitation or conservation project as hereinabove mentioned, the statement shall be certified by the urban renewal coordinator in the city and county of Honolulu, or the county chairman of any county, or any governmental official designated by them, that the additions, alterations, modifications, or other new construction, improvement or repair work to the buildings were made and satisfactorily comply with the particular urban redevelopment, rehabilitation or conservation act provision, or (2) in the case of maintenance or repairs to a residential building undertaken pursuant to any health, safety, sanitation or other governmental code provision, the statement shall be certified by the building superintendent of the building department of the city and county of Honolulu, or the county chairman of any county, or any governmental official designed by them, that (a) the building was inspected by them and found to be substandard when the owner-occupant made his claim, and (b) the maintenance or repairs to the buildings were made and satisfactorily comply with the particular code provision."

SECTION 4. Section 143-60.1, Revised Laws of Hawaii 1955, as amended, is hereby repealed.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 57**

H. B. 251.

A Bill for an Act Relating to the Workmen's Compensation Law and Amending Chapter 97, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure

deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

It has always been the objective of the state and county administrations to recruit the best qualified persons to serve on boards and commissions. In return for the dedicated service given by these individuals, it is only proper that they are provided for in the event of accidents while they are carrying out their voluntary duties. Therefore, it is urgent that members serving on boards and commissions be given full coverage under the workmen's compensation law.

SECTION 2. Part V of chapter 97, Revised Laws of Hawaii 1955, is hereby amended as follows:

1. By amending the title to read:

**"PART V. APPLICABILITY TO HAWAII GUARD, VOLUNTEER PERSONNEL AND PUBLIC BOARD MEMBERS"**

2. By adding the following:

**"C. PUBLIC BOARD MEMBERS**

**§ 97-170.** (a) Definition. As used in this section, 'public board' means a governmental body, regardless of its designation, duly created under authority vested by law for the purposes of performing quasi-judicial, administrative or advisory functions.

(b) Benefits of injured board members. If a member of a public board sustains a personal injury while performing services for the board under the conditions specified in section 97-3, he or his dependents shall be entitled to all compensation in the manner provided by this chapter and for its purpose the member shall, in every case, be deemed to have earned wages for the services.

(c) Computation of average weekly wages. In computing the average weekly wages of an injured public board member:

(1) his income from self-employment shall be considered wages;

(2) he shall, in no event, be considered to have earned less than the minimum hourly wage prescribed in chapter 94;

(3) wages of other employees in comparable employment shall not be considered;

(4) section 97-50(e) shall not apply; and

(5) all provisions of section 97-50 not inconsistent herewith shall apply."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 58**

H. B. 279.

A Bill for an Act Relating to the Legal Capacity of Minors to Consent to Medical Care and Services.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure

deemed necessary in the public interest within the meaning of section 11, Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Presently, minors who are afflicted with venereal diseases or who are pregnant, are refused medical care and services at public and private hospitals and public and private clinics and refused medical care and services by physicians licensed to practice medicine, unless they receive prior consent from their parents, guardians or spouses. Because of this requirement, some minors do not receive medical care and services at all or turn to unproven, dangerous treatment in the hands of medical quacks, thus endangering the health of the minor and the fetus.

Statistics compiled by a special task force appointed by the United States Surgeon General reveals an alarming increase in the affliction of venereal disease by minors. The task force report indicated that between 1958 and 1960, there was a 132.1% increase in reported cases of primary and secondary syphilis in the 0 to 19 years age group and 135.8% increase in the 15 to 19 years age group.

The United States Department of Health, Education and Welfare reported that in 1965 only more than a million Americans contracted gonorrhea. Hawaii ranked number 22 of the 50 states in the number of reported cases of primary and secondary syphilis.

In view of the alarming increase in the affliction of venereal diseases by minors and the disproportionately high incidence of maternal and infant deaths and catastrophic illnesses of minor pregnant women, it is therefore urgent and in the public interest that such minors be given medical care and services without the prior consent of the parents, guardians or spouses.

**SECTION 2. Purpose.** The purpose of this bill is to authorize a minor to consent to medical care and services for pregnancy or venereal disease by a physician licensed to practice medicine, and in public and private hospitals or in public and private clinics.

Presently, consent of parent, spouse or guardian is required before physicians can examine and render services to a minor afflicted with venereal disease or pregnancy. This bill will permit licensed physicians to examine and give medical care and service to minors afflicted on their own consent. The minor is given the same legal capacity to act and is subject to the same legal obligations with regard to the giving of such consent as if he or she were persons of full legal age and capacity.

**SECTION 3. Definition.** For the purpose of this Act only, the following terms shall be defined as follows:

"Minor" shall be any person from the age of fourteen to nineteen inclusive.

"Medical care and services" shall mean the diagnosis, examination and administration of medication in the treatment of venereal diseases and pregnancy. It shall not include surgery or any treatment to induce abortion except as permitted under section 309-4, Revised Laws of Hawaii 1955.

**SECTION 4. Consent valid.** The consent to the provision of medical care and service by public and private hospitals or public and private clinics, or the performance of medical care and services by a physician licensed to practice medicine, when executed by a female minor who is or professes to be pregnant, or by a minor who is or professes to be afflicted with a venereal disease, shall be valid and binding as if the said minor had achieved his or her majority as the case may be; that is, a female minor who is, or professes to be pregnant, or a minor who is, or professes to be afflicted with a venereal disease, shall be deemed to have, and shall have the same legal capacity to act, and the same legal obligations with regard to the giving of such consent to such hospitals and such clinics or medical care and services to be provided by a physician licensed to practice medicine, as a person of full legal age and capacity, the infancy of the said minor and any contrary provisions of law notwithstanding, and such consent shall not be subject to later disaffirmance by reason of such minority; and the consent of no other person or persons (including, but not limited to a spouse, parent, custodian, or guardian) shall be necessary in order to authorize such hospitals or such clinics or medical care and services provided by a physician licensed to practice medicine, to such a minor.

**SECTION 5. Providing information.** Public and private hospitals, or public and private clinics or physicians licensed to practice medicine shall inform the spouse, parent, custodian or guardian of any minor patient who is under eighteen (18) years of age and who is diagnosed as pregnant or afflicted with venereal disease, and such information shall be given to the spouse, parent, custodian or guardian without the consent of the minor patient and even over the express refusal of the minor patient.

If the minor patient who is under eighteen (18) years of age is not diagnosed as pregnant or afflicted with venereal disease, withholding of such information shall be within the discretion of the staff of such hospitals or such clinics or the physicians licensed to practice medicine, as the case may be.

**SECTION 6. This Act shall take effect upon its approval.**

(Approved May 9, 1968.)

**ACT 59**

**H. B. 405.**

A Bill for an Act Relating to the Public Service Company Tax Law.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Presently the common carrier by water is assessed a tax of not less than 5.885% of its gross income under section 126-5, Revised Laws of Hawaii 1955, the imposition of which tax is in lieu of the general excise tax and is also a means of taxing the real property owned by the common carrier by

water or leased to it by a lease under which it is required to pay the taxes upon the property. While under section 126-5.1 of the Revised Laws of Hawaii 1955, as amended, the airline, motor carrier and contract carrier other than a motor carrier, is each assessed a tax of 4% of its gross income which is in lieu of the general excise tax but not in lieu of tax on real property, the common carrier by water, which utilizes pier areas owned by the State in much the same manner as the airline utilizes State owned airport facilities, is not accorded the same treatment. It is essential to accord the common carrier by water similar treatment as the airline under section 126-5.1 so that the commodity rates charged by the common carrier by water are not unjustly inflated by this tax inequity to the prejudice of the consumers and the economic development of the State.

**SECTION 2.** The first sentence of subparagraph (a) of section 126-5, Revised Laws of Hawaii 1955, as amended, is amended to read as follows:

"(a) There shall be levied and assessed upon each public utility, except airlines, motor carriers, common carriers by water, and contract carriers taxed by section 126-5.1, a tax of such rate per cent of its gross income each year from its public utility business as shall be determined in the manner hereinafter provided."

**SECTION 3.** The first sentence of section 126-5.1 is amended to read as follows:

"There shall be levied and assessed upon each airline, each motor carrier, each common carrier by water, and each contract carrier other than a motor carrier, a tax of four per cent of its gross income each year from such airline, motor carrier, common carrier by water, or contract carrier business."

**SECTION 4.** This Act, upon its approval, shall take effect as of January 1, 1969.

(Approved May 9, 1968.)

## ACT 60

H. B. 485.

A Bill for an Act Relating to Air Pollution Control and Amending Chapter 47, Revised Laws of Hawaii 1955, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

In November of last year, President Johnson signed into law the Air Quality Act of 1967, Public Law 90-148, amending the Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

Sec. 102.(a) of the Act provides, in relevant part:

"The Secretary [of Health, Education and Welfare] shall encourage cooperative activities by the States and local governments for the prevention and control of air pollution; encourage the enactment of improved and, so far as practicable in the light of varying conditions and needs, uniform State and local laws relating to the prevention and control of air pollution . . ."

Under Sec. 108.(c) of the Act, there is provision for:

" . . . the establishment by the States of ambient air quality standards and a plan for their enforcement and implementation.

"Paragraph (1) requires the Governor of a State to file a letter of intent, adopt air quality standards, and adopt a plan for their implementation and enforcement, all within 15 months.

"Approval by the Secretary of the State standards and plan is to be contingent upon whether (1) the State standards are consistent with the air quality criteria and the recommended control techniques issued by him . . . [and] the State plan is consistent with the purposes of the act and assures achieving the air quality standards within a reasonable time . . ."

—Report of the Committee on Public Works, United States Senate, to Accompany S. 780, p. 44 (U. S. Government Printing Office, Washington, D. C.: 1967).

In a letter to Governor Burns, dated November 22, 1967 John W. Gardner, Secretary of Health, Education and Welfare, stated, in part:

"I hope you will take immediate steps to establish the necessary statutory base and administrative machinery to carry out this responsibility."

It is, therefore, immediately necessary in the public interest that legislation be enacted to carry out the purpose and intent of the Air Quality Act of 1967, aforesaid.

SECTION 2. The Air Pollution Control Law, part V of chapter 47, Revised Laws of Hawaii 1955, as amended, is further amended to read as follows:

a. By adding to section 47-61 the following definition:

"Person' means any individual, partnership, firm, association, municipality, public or private corporation, subdivision or agency of the State, trust, estate or any other legal entity."

b. By adding to section 47-64, next following subsection (h), two new subsections to be designated "(i)" and "(j)", respectively, to read:

"(i) To establish ambient air quality standards for the State as a whole or for any part thereof.

(j) To require the installation, use and proper maintenance of air pollution control equipment for motor vehicles."

c. By amending section 47-65 to read:

"The department may provide, and, from time to time, change, by rule or regulation a schedule of fees not exceeding the estimated cost of issuing permits and inspection pertaining to such issuance to be paid for the issuance of permits. Every person or agency applying for a permit shall pay the fee required by such schedule. Such fees shall revert to the general fund."

d. By amending subsection (c) of section 47-67 to read:

"(c) All rules or regulations of strictly local application, before they are adopted by the department, shall be submitted to the county air pollution control association if one shall have been appointed of the county affected, for discussion and, within 30 days after submission, a report thereon."

e. By deleting in its entirety section 47-68, and by adding a new section to be numbered and to read as follows:

**“§ 47-68. Variances.** The department shall, upon application and after public hearing, grant such variances as are required to avoid inequitable hardship to the applicant; provided, however, that no such variance shall be granted unless the department finds that human health and safety will not be or tend to be endangered thereby.”

f. By amending section 47-69 to read:

**“Enforcement.** (a) In case any written complaint is filed with the department, or the department has cause to believe, that any person is violating any rule or regulation promulgated by the department, the department shall cause to be issued and served a written notice, together with a copy of a complaint made by it, or a copy of the complaint made to it, requiring the person so complained against to answer the charges of such complaint at a hearing before the department or before a master or masters appointed by it, at a time not less than 30 days after service of the notice and at a place to be specified in such notice.

(b) Such hearing shall be in accordance with chapter 6C, sections 9, 10, 11, 12 and 13.

(c) Any information as to secret processes or methods of manufacture or production shall not be disclosed in public hearing before the board, insofar as practicable, and shall be kept confidential.

(d) The department, at the request of any respondent to a complaint made by it, or to it, pursuant to this part, shall subpoena and compel the attendance of such witnesses as the respondent may designate and require the production for examination of any papers relating to any matter under investigation in any such hearing.”

g. By amending section 47-71 to read:

“If such preventive or corrective measures are not taken in accordance with the order of the department, the department may institute a civil action in any court of competent jurisdiction for injunctive relief to prevent any further violation of such code, rule or regulation. The court shall have power to grant such relief in accordance with the Hawaii Rules of Civil Procedure.”

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 9, 1968.)

## ACT 61

S. B. 412.

A Bill for an Act Relating to Sheriffs' and Police Officers' Fees.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure

deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The sheriffs' or police officers' fee paid for the service of process, such as summons, warrant or attachment, is \$2, and the mileage allowance is set at 10 cents per mile by section 219-4 and 219-8. The service of process fees and mileage allowance have remained the same since 1949 despite the fact that there has been a tremendous increase in the cost of living as well as in the wages of public and private employees. Sheriffs who perform this vital public service as a full-time occupation earn only the fees they receive from servicing papers. They do not receive any set salary from the State and, as a result, they have been required to expend the same amount of time and effort for the same pay since 1949. It is, therefore, urgent and necessary in the public interest that sheriffs' or police officers' fees under section 219-4 and 219-8 be adjusted immediately.

**SECTION 2.** Section 219-4, Revised Laws of Hawaii 1955, is amended to read as follows:

**"§ 219-4. District court costs.** For all services of the district court, magistrate or clerk in any one cause, \$3, including the issuance of summons, warrant, attachment or other process and supplementary proceedings, if any; entering of adjournment; administering any oath; issuing subpoena; filing any paper at the request of any party; rendering and entering up judgment; transcript or certificate of judgment; bond or other security drawn by the magistrate; noting an appeal and filing and making a return thereof; and entering any discontinuance.

For the filing of any motion for an order of examination of a judgment debtor, for the allowance of a writ of possession, or for the issuance of a garnishee summons after judgment, \$1.

Whenever the plaintiff in any civil action in the district court fails to sustain his action, and it appears to the magistrate that such action was brought unfairly, maliciously, or without adequate cause, the magistrate may assess against the plaintiff, not only the costs of court, but also all reasonable and necessary expenses to which the defendant was put, including attorney's fees.

Sheriff's or police officer's fees:

For serving any criminal summons, warrant, attachment or other criminal process, \$4.

For serving any civil summons, warrant, attachment or other civil process, \$2.

For every copy of an attachment and inventory of the property attached, served upon the defendant, \$1.50.

For serving any execution, 12 cents for every \$1 collected up to \$50, and 7 cents for every \$1 over \$50.

For serving subpoena, \$2 for each witness.

For every mile of travel, more than one, in serving any process, 12 cents; provided that (a) no such allowance shall be made where such serving officer uses a conveyance furnished him by the State, or any political or mu-

nicipal subdivision thereof; (b) where the serving officer serves more than one person in the course of one trip, he shall not charge, in the aggregate for all such services, more than the mileage for the entire trip; and (c) as far as practicable, in order to minimize the mileage fees for such service, the sheriff or other chief of the serving officers, where service of process is to be made upon an island other than that upon which is situated the court issuing such process, shall cause such process to be transmitted to a deputy, the chief of police or other serving officer upon the island of service, who shall make such service upon receipt of such process; and such service shall be valid, notwithstanding that the process may not be addressed to the officer actually making such service or to his superior.

For taking care of any property seized under an attachment, his reasonable and necessary expenses.

Anything in this section or any other law to the contrary notwithstanding, when any process or subpoena is served by a subordinate of the sheriff or chief of police, it shall be illegal for the sheriff or chief of police, (a) if and so long as he is being paid a salary by the State or the county to receive or collect from such subordinate any portion of the fees, mileage or other expenses collected by such subordinate, or (b) if and so long as he is not being paid any such salary, to collect or receive from such subordinate more than ten per cent of the fees accruing from such service, or any portion of the mileage or other expenses collected by such subordinate. Where a subpoena is served in behalf of the State or any county by a nonsalaried subordinate of the sheriff or chief of police, the regular fee for such service shall be payable to such subordinate. Nothing herein contained shall be deemed to prohibit the police commission of any county from requiring all such fees, mileage and expenses to be paid into a police benefit fund."

SECTION 3. Section 219-8, Revised Laws of Hawaii 1955, is amended to read as follows:

**"§ 219-8. Sheriff's or serving or levying officer's fees in circuit or supreme courts.** For all necessary travel in making such service, per mile for every mile more than one . . . 12 cents provided, that: (a) no such allowance shall be made where such serving officer uses a conveyance furnished him by the State, or any political or municipal subdivision thereof; (b) where the serving officer serves more than one person in the course of one trip, he shall not charge, in the aggregate for all such services more than the mileage for the entire trip; and (c) as far as practicable, in order to minimize the mileage fees for such service, the sheriff or other chief of the serving officers, where service of process is to be made upon an island other than that upon which is situated the court issuing such process, shall cause such process to be transmitted to a deputy, the chief of police or other serving officer upon the island of service who shall make such service upon receipt of such process; and such service shall be valid, notwithstanding that the process may not be addressed to the officer actually making such service or to his superior.

For serving criminal summons or any other criminal process except a subpoena, for each person served therewith .....	\$4.
For serving civil summons or any other civil process except a subpoena, for each person served therewith .....	\$2.
For serving subpoena, for each witness .....	\$2.
For returning as unserved after due and diligent search any process when it has been found that the person to be served has left the State .....	\$2.
For serving any execution or other process for the collection of money, for every dollar collected up to \$500 .....	5 cents.
And for every dollar over \$500 .....	2½ cents.
All fees paid to any printer for publishing an advertisement of the sale of any property;	
For every bill of sale .....	\$1.
For executing and acknowledging a deed pursuant to a sale of real estate to be paid by the grantee in such deed .....	\$5.
For drawing any bond required by law .....	\$1.
For serving writ of possession or restitution, putting any person entitled into the possession of premises, and removing a tenant pursuant to order of court .....	\$1.
Together with all necessary expenses incurred by the officer serving the writ, incident to the eviction.	
For selling any property on an order from the court other than an execution, the same allowance as for service and sales by execution.	
The fees for service of executions, attachments and collection of judgments, together with all other costs incurred, not included in the judgment, shall, in all the courts of the State, be collected in addition to the sum directed to be levied and collected in the writ.	
Anything in this section or any other law to the contrary notwithstanding, when any process or subpoena is served by a subordinate of the sheriff or chief of police, it shall be illegal for the sheriff or chief of police (a) if and so long as he is being paid a salary by the State or the county to receive or collect from such subordinate any portion of the fees, mileage or other expenses collected by such subordinate, or (b) if and so long as such sheriff or chief of police is not being paid any such salary, to collect or receive from such subordinate more than ten per cent of the fees accruing from such service, or any portion of the mileage or other expenses collected by such subordinate. Where a subpoena is served in behalf of the State or any county a non-salaried subordinate of the sheriff or chief of police, the regular fee for such service shall be payable to such subordinate. Nothing herein contained shall be deemed to prohibit the police commission of any county from requiring all such fees, mileage and expenses be paid into a police benefit fund."	

SECTION 4. This Act shall take effect on July 1, 1968.

(Approved May 9, 1968.)

## ACT 62

S. B. 141.

A Bill for an Act to Amend Chapters 146, 147, and 148, Revised Laws of Hawaii 1955, Relating to Improvements by Assessment.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The city and county of Honolulu is empowered to amend the law respecting improvements by assessments in that county; the neighbor island counties are not. It therefore is reasonable to deal separately with the neighbor island counties at this time to effect needed changes in the laws relating to improvements by assessments in those counties. It is essential if these counties are to prosper and grow that they have effective legislation to make improvements by assessments and particularly to be able to sell their improvement district bonds. Bond attorneys have had a number of objections to existing law concerning improvement by assessment in these counties, the objections going to such matters as the kind of notice given to property owners, priority of liens, saleability of bonds, prepayment premiums, and reserve funding. This Act meets these objections. It is urgent and in the public interest to thus amend the statutes respecting improvement by assessment in the neighbor island counties to make these statutes more effective and to make neighbor island improvement district bonds more marketable as soon as possible so that planned and future developments may proceed.

SECTION 2. Sections 146-130, 147-110, and 148-120, Revised Laws of Hawaii 1955, are amended by adding to each the following new subsection (d) (7) and new subsections to be appropriately designated and to read as follows:

(d) ....

(7) Construction and installation of underground utility facilities and the removal, relocation, replacement or reconstruction of the utility facilities required to be placed underground.

"( ) "Cost" means the cost, either estimated or actual, as the case may be of the improvements to be opened, constructed, or improved in proceedings taken pursuant to this part for which assessments are to be levied. There may be included within the definition of "cost" amounts for construction contingencies, bond discounts, reserve funds, fees of financial, legal, engineering and surveying consultants.

( ) "Incidentals" means expenses incurred by the county in carrying out proceedings pursuant to this part for preparation of maps, notices and other documents; posting, mailing and publication costs; preparation and printing of bonds, bond registers and transfer books; fees of financial, legal, engineering and surveying consultants; and such other miscellaneous expenses incurred by the county which relate directly to the proceedings.

( ) "Premium" means any of the following:

(1) An amount payable by a property owner at the time he makes an advance payment of unpaid installments of his assessment in accordance with the provisions of section 146-150, 147-129, or 148-139, as the case may be, which amount is in addition to the unpaid principal amount of his assessment and the interest thereon to the next subsequent annual date for the payment of installments;

(2) An amount payable to the holder of a bond issued pursuant to this part which is called by the treasurer for payment before maturity in accordance with the provisions of section 146-158, 147-137, or 148-147, as the case may be, and which is in addition to the face amount of such bond and the interest thereon payable to such bondholder;

(3) An amount paid by the purchaser of the bonds in excess of the par value of the bonds.

In the case of (1), above, the premium may not exceed five per cent of the unpaid principal amount. In the case of (2), above, the premium may not exceed five per cent of the face amount of the bond."

**SECTION 3.** Sections 146-136, 147-116, and 148-126, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"**Sec. . . Initial procedure.** The board shall, by resolution requiring not more than one reading for its adoption, direct the chief engineer, department of public works, to investigate and report to the board preliminary data concerning the special improvement proposed to be opened, constructed, or improved, the general character and extent of any improvement to be proposed, whether such improvement should be proposed on a frontage or an area basis, whether any new land will be necessary to be acquired, and the estimated cost thereof and the proportion of the cost which should be borne by the county, the materials recommended to meet the conditions of the improvement the boundaries of the improvement to be proposed and any sub-districts or zones therein as to which different portions of the cost should be charged, the estimated cost of the improvement, the portions of the cost to be borne by the county, and the portions of the cost to be specifically assessed against the lands specially benefited with the maximum unit of assessment to be made against the property posed, and to prepare and furnish all necessary drawings and other data, details, and specifications for the improvements and any other matters or details intended to apply thereto. The report, when so furnished and filed with the board, shall not be acted upon until one week has elapsed from the date of the filing of the same. If the proposed improvement includes the construction or improvement of a water system or the laying or installation of conduits, pipes, hydrants, or any appliance for supplying or distributing a water supply, the chief engineer shall obtain from the county board of water supply preliminary plans and estimates for such proposed water system, and the engineer shall furnish the board of water supply with such preliminary plans of the proposed improvement as will enable the board of

water supply to make its plans and estimates for the proposed water system. The chief engineer shall incorporate such preliminary plans and estimates of the board of water supply in his report to the board.

Thereafter the board may, by resolution requiring one reading for its adoption, propose the making of an improvement or improvements specifying the streets, storm drainage, sanitary sewerage system, water system or street lighting system, or combination thereof, to be opened, constructed, or improved; the area, owners, so far as known, and general description and location of new land to be acquired, if any; the materials proposed to be used; the proposed method of assessment including the minimum number of installment payments to be proposed; the maximum term of assessment bonds to be issued to represent unpaid installments; the maximum rate of interest to be borne by said bonds; the premium required to be paid on the advance payment of installments or the call and redemption of any bond prior to its maturity; the amount of the reserve fund either as set forth in the report of the chief engineer or as otherwise determined by the board; the general boundaries of the district or frontage, subdistricts, and zones to be assessed; and the maximum estimated unit of assessment. The board may adopt the plans and estimates so furnished by the board of water supply and incorporated in the report of the chief engineer. If the plans and estimates of the board of water supply are adopted by the board, the plans and estimates shall be referred to and incorporated by reference in such resolution. The resolution shall refer to and incorporate by reference such surveys, plans, maps, and other data reported by the chief engineer as are approved by the board. The resolution shall also fix a date of public hearing upon the proposed improvement, which date shall be not less than fifteen days after the first publication of notice thereof in a newspaper of general circulation in the county.

After the adoption of the resolution, the county clerk shall cause a notice of the public hearing to be published twice a week for two successive weeks (four publications in all) in a newspaper of general circulation in the county, giving notice, generally, to all owners, lessees, and occupants of land proposed to be assessed or acquired and to all others interested in the general details of the proposed improvements as adopted by the board and stating the time and place of public hearing and where the resolution and reports and other data may be seen and examined prior to the hearings. Like notices shall be posted conspicuously at least ten days prior to the hearing approximately every two hundred and fifty feet along the highway or highways proposed to be opened or improved. A similar notice of public hearing shall be mailed to all owners, lessees, and occupants of land proposed to be assessed at least two weeks prior to the hearing. Said notice shall contain, in addition to the material contained in the published and posted notices, a description of the property of such owner, lessee, or occupant of land set forth in such manner as to enable such owner, lessee, or occupant to identify same, together with a statement that the property described on said notice is proposed to be assessed to pay for a portion of the cost of the proposed improvements. In case of a storm drainage, sanitary sewerage, water or street lighting system

proposed to be constructed or improved independently, like notices shall be posted conspicuously at various places within the area or along the frontage to be assessed. Affidavits of publication both in the newspaper and along the route of improvement, respectively, shall be filed with the board at the hearing."

SECTION 4. Sections 146-139, 147-119, and 148-129, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"Sec. . Petition by owners of one hundred per cent of frontage or area. If a petition is filed and is acknowledged by the owners of one hundred per cent of the frontage upon any street, alley, or highway or of the area of land designated by them as a proposed improvement district, and by all lessees of any property to be assessed under this part, who, by the express terms of the lease, must pay the kind of assessment contemplated by this part, unless the lessor shall, with the petition, file a duly acknowledged waiver of the stipulation in the lease which requires the lessee to pay the special assessments to be made under the proposed improvement, then the board shall proceed in the same manner as though the plan for the improvement had been initiated on its own motion, excepting that it shall be unnecessary for the board to give, publish, mail, or post notice of, call, or conduct a public hearing, or to publish, mail, or post notices of the proposed improvements, as provided for in section 146-136, 147-116, or 148-126, as the case may be; and in the case of a petition acknowledged by the owners of one hundred per cent as aforesaid, section 146-137, 147-117, or 148-127, as the case may be, shall be inapplicable thereto, any other provision or section to the contrary notwithstanding; and in the case the owners of one hundred per cent as aforesaid, in writing, consent to the amount and apportionment of the proposed assessments for such improvements, it shall be unnecessary to give the notice or to hold the hearing specified by section 146-143, 147-122 or 148-132, as the case may be; and the board may immediately proceed to fix the assessment or assessments in the manner provided by section 146-144, 147-123, or 148-133, as the case may be.

No such improvement shall be approved by the board unless: (1) the assessed valuation for taxation purposes of the land to be improved is twice the estimated cost of the proposed improvement, or (2) the board by resolution finds the appraised value of such land in accordance with prevailing standards of appraisal then used by banks for loans thereon is twice the estimated cost of the proposed improvement and that such approval is in the public interest."

SECTION 5. Sections 146-143, 147-122, and 148-132, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"Sec. . Notice of improvement authorized. The board shall cause to be prepared by the chief engineer, department of public works, a corrected map similar to that required under section 146-136, 147-116, or

148-126, as the case may be, and a preliminary assessment roll and description of properties to be assessed showing in detail the proportionate amount per front foot, and the exterior boundaries of the lands subject to the assessment, if the assessment is to be made on such basis, or per square foot, if the assessment is to be made according to area, proposed to be assessed against the property in the benefited district or in the several subdistricts or zones thereof, if any, and a list of all known owners, lessees and occupants of the land fronting upon such highway or highways or situate within the improvement district, and shall thereupon by advertisement in the same manner as that provided in section 146-136, 147-116, or 148-126, as the case may be, give notice of the total amount of the cost of the improvement based upon the bid of the lowest responsible and reliable bidder, the maximum share per front foot or per square foot, as the case may be, proposed to be charged to the benefited district or subdistricts or zones, if any, and that the corrected map, preliminary assessment roll and description of properties may be seen and examined at the office of the chief engineer during business hours at any time prior to and including the date fixed for hearing. In addition to the other material contained on the notice to be mailed as required by section 146-136, 147-116, or 148-126, as the case may be, and by this section, each mailed notice shall contain the amount proposed to be assessed against the property described therein. The notice shall also fix a date and place when a public hearing will be had and the board will sit as a board of equalization to receive complaints or objections respecting the total amounts of the proposed several assessments, which date shall not be less than ten days nor more than three weeks after the date of the first newspaper publication of the notice."

SECTION 6. Sections 146-147, 147-126, and 148-136, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"Sec. . Lien; new assessment. All assessments made pursuant to this part shall be a lien against each lot or parcel of land assessed from the date of the first publication of the ordinance declaring the assessment until paid and shall have priority over all other liens except the lien of property taxes and for other public purposes. The lien of assessments levied pursuant to this part shall be on a parity with the lien of property taxes and liens for other public purposes. As between liens of assessments made pursuant to this part, the earlier lien shall be superior to the later lien. No delay, mistake, error, defect, or irregularity in any act or proceeding authorized by this part shall prejudice or invalidate any assessment; but the same may be remedied by subsequent or amended acts or proceedings and, when so remedied, the same shall take effect as of the date of the original act or proceeding. If in any court of competent jurisdiction any assessment made under this part is set aside for irregularity in the proceedings, the board may, upon notice as required in making an original assessment, make a new assessment in accordance with the provisions of this part."

SECTION 7. Sections 146-150, 147-129, and 148-139, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

**"Sec. Effect of failure to pay installment.** Failure to pay any installment, whether of principal or interest, when due, shall cause the whole of the unpaid principal to become due and payable immediately and the whole amount of unpaid principal and accrued interest shall thereafter draw interest at the rate of one per cent per month or fraction of a month until the day of sale as hereinafter provided; but at any time prior to the date of sale, the owner may pay the amount of all delinquent installments with interest thereon at one per cent per month or fraction of a month, and all costs and expenses accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been made. The owner of any land assessed, not in default as to any installment or payment, may at any time after the expiration of the first thirty-day period, pay the entire unpaid principal with interest thereon to the next subsequent annual date for the payment of the installments, together with any premium required to be paid pursuant to the resolution of the board adopted pursuant to the provisions of section 146-136, 147-116, or 148-126, as the case may be."

SECTION 8. Sections 146-154, 147-133, and 148-143, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

**"Sec. Improvement bonds authorized.** In the event of an election to pay all or any part of any such special assessment in installments, the amount required for immediate use to pay the cost of the improvement, or the installments thereof from time to time as they fall due may be advanced out of any funds available in the general fund or the permanent improvement fund; provided that as soon as practicable, the amounts so necessary shall be secured, and repaid if advances have been made, by the issuance of sufficient district improvement bonds of the county to raise such required amount or amounts. Such bonds shall be in such form as may be prescribed by the board, shall bear the name of the benefited or improved district, shall be payable to bearer in a sufficient period of years to cover the outstanding installment payments determined upon pursuant to the provisions of this part, and shall be subject to call but not prior to the second interest date thereof as hereinafter provided and at such premium, if any, as may have been provided for in the resolution of the board adopted pursuant to section 146-136, 147-116, or 148-126, as the case may be. The bonds of each issue shall bear serial numbers, shall be of such denomination, not exceeding \$5,000 each, as may be determined by the board, and shall bear interest at the rate of not more than seven per cent per annum, payable semi-annually, as may be determined by the board.

Such bonds shall be executed by the treasurer and issued pursuant to and under the authority and requirements of resolutions of the board. The bonds shall be countersigned by the chairman of the board and attested by

the clerk and by the seal of the county. Interest coupons shall bear a lithographed or engraved facsimile of the signature of the treasurer. The treasurer shall preserve a record of the bonds in a suitable book kept for that purpose. The bonds shall be payable only out of the moneys collected on account of assessments made for the improvement for which they are issued or from the reserve fund established pursuant to section 146-155.1, 147-134.1, or 148-144.1, as the case may be, in the event that the moneys collected out of assessments are insufficient to pay the bonds or the interest thereon as they become due, and the county shall not otherwise guarantee payment of any bonds issued under the provisions of this part; provided that interest payments may be advanced by the board temporarily out of any moneys available in the county treasury."

SECTION 9. Sections 146-155, 147-134, and 148-144, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"Sec. . . . **Special funds for payment of bonds and certain other expenses.** All moneys collected on account of assessments and interest for any improvement after the issuance of any bonds shall be kept by the treasurer in a special fund and applied solely to the payment of interest and principal of bonds issued for such improvement until such bonds have been paid. In the event that any surplus remains in any such special fund after the payment of the bonds chargeable against such fund or in case of a premium received on the sale of the bonds, it shall be credited to and become a part of a fund to be known as the improvement district revolving fund, the moneys in which shall be available to make up deficiencies in the proceeds of bonds sold below par, to cover deficiencies in interest realized on account of diminishing balances of installments outstanding, and to advance interest due on bonds outstanding prior to collection of annual assessments, and also for the purpose of paying all expenses in connection with the sale of delinquent improvement district lots and the prices of such delinquent lots as are bid for and purchased by the treasurer for the county, and the treasurer may upon such purchase transfer the proper amounts so bid to the proper special funds for the respective improvement districts concerned. In the event that moneys in the special fund prove insufficient at any time to pay the principal and interest, or the interest only, as the case may be, on bonds outstanding, moneys shall be transferred from the reserve fund established pursuant to section 146-155.1, 147-155.1, or 148-155.1, as the case may be, or from the improvement district revolving fund into such special fund in such amounts as will enable the treasurer to make the payments of principal or interest, or interest only, as the same becomes due."

SECTION 10. Sections 146-157, 147-136, and 148-146, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"Sec. . . . **Use of bonds; sale.** Bonds so issued may be used by the board at par at the time of final acceptance of the contract to pay wholly or

in part the contract price of any improvement made as aforesaid, or, in the event that the bonds are not so used, they shall then be sold to the highest bidder or bidders therefor, after public advertisement for tenders for at least once each week for not less than two successive weeks in a suitable newspaper of general circulation in the county, and the proceeds thereof shall be so applied; provided that in the event at an advertised sale only part of the issue so advertised is bid for, thereafter, the board may authorize the treasurer, by resolution requiring one reading for adoption, to sell the whole or any part of the remainder of such issue at the highest bid so received to any person at private sale. In the event no purchaser is found, the county may be the purchaser of any such bonds, using any funds available and unspent. Bonds sold to a purchaser or purchasers other than the county may be sold for such discount as is acceptable to the board."

**SECTION 11.** Sections 146-158, 147-137, and 148-147, Revised Laws of Hawaii 1955, are amended to be appropriately designated and to read as follows:

"**Sec. . . Payment before maturity.** On and after the second interest due date of any bonds so issued and annually thereafter, whenever sufficient funds are in the hands of the treasurer, exceeding the next interest payment on the unpaid balance of any bonds so issued, the board may direct the treasurer, by resolution, to call for payment, by advertisement for not less than five days in some newspaper of general circulation in the county, such a number of bonds as there are funds to pay. In each case the bonds to be called for payment shall be those of the lowest outstanding serial numbers, which serial numbers shall be specified in the advertisement so published. At the expiration of thirty days from the first publication of such notice, interest on the bonds so called for payment shall cease; and the moneys provided for the payment shall be set aside by the treasurer in a special deposit to which fund only the owners of the bonds shall thereafter look for payment. The call price of any bond called for payment before maturity pursuant to this section shall be the principal amount of such bond, interest at the rate stated on the face of the bond from the date on which interest on such bond was last paid to and including the thirtieth day from the first publication of such notice, together with the applicable premium payable, if any."

**SECTION 12.** Chapters 146, 147, and 148, Revised Laws of Hawaii 1955, are amended by adding new sections to be designated as sections 146-136.1, 147-116.1, and 148-126.1, respectively, and to read as follows:

"**Sec. . . Report of chief engineer.** In preparing the report required by section 146-136, 147-116, or 148-126, as the case may be, the chief engineer may consult with the county treasurer or with such financial consultant as has been specially employed by the board to assist in the proceedings or who may otherwise be available to the board, at the direction of the board. Upon the written advice and recommendation of the treasurer or of such a financial consultant, the chief engineer may include such sums as he deems proper for reserve funds, bond discount allowances, and construc-

tion contingencies in determining his estimate of the project cost and the amount to be assessed therefor."

**SECTION 13.** Chapters 146, 147, and 148, Revised Laws of Hawaii 1955, are amended by adding new sections to be designated as sections 146-137.1, 147-117.1, and 148-127.1, respectively, and to read as follows:

"Sec. . . **Waiver of objections.** All objections to any act or proceeding occurring prior to the time within which such objections are permitted to be filed in relation to the work, not made in writing and in the manner and at the time specified, shall be waived if the notices required by section 146-136, 147-116, or 148-126, as the case may be, have been actually mailed, published and posted as required by law."

**SECTION 14.** Chapters 146, 147, and 148, Revised Laws of Hawaii 1955, are amended by adding new sections to be designated as sections 146-155.1, 147-134.1, and 148-144.1, respectively, and to read as follows:

"Sec. . . **Reserve Fund.** The board may provide in the resolution adopted pursuant to section 146-136, 147-116, or 148-126, as the case may be, that a reserve fund shall be established as additional security for the payment of principal and interest on bonds issued in proceedings taken pursuant to this part. The reserve fund shall be established from the proceeds from the sale of bonds in such amount as is designated by the board in the aforementioned resolution. Thereafter, moneys in the reserve fund shall be used in accordance with the provisions of section 146-155, 147-134, or 148-144, as the case may be. Moneys in the reserve fund may be used to pay the principal interest or both, in whole or in part, on the last outstanding maturity or maturities of the bonds and in such case assessments or such portions thereof which would otherwise be collected to make such payments shall be cancelled."

**SECTION 15.** Chapters 146, 147, and 148, Revised Laws of Hawaii 1955, are amended by adding new sections to be designated as sections 146-155.2, 147-134.2, and 148-144.2, respectively, and to read as follows:

"Sec. . . **Replenishment of reserve fund.** When moneys are transferred from the reserve fund to the special fund described in section 146-155, 147-134, or 148-144, as the case may be, the board shall replenish the reserve fund by providing for the levy and collection of an annual ad valorem assessment upon the lands assessed in the proceedings. The ad valorem assessment referred to in this section shall be levied, collected and enforced by the county in the same time and manner as the county levies, collects, and enforces property taxes for general county purposes."

**SECTION 16.** This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 63**

S. B. 161.

A Bill for an Act Relating to Officers and Employees at Kalaupapa Settlement.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Existing law provides that in case any officer or employee of the department of health becomes ill or injured at the settlement at Kalaupapa and suitable medical, hospital, or related services are not available there, the department may incur and pay the reasonable and necessary expenses of removing and transporting the officer or employee to a place where such hospital or medical facilities can be secured.

Due to the isolated location of the settlement, the cost of transportation to suitable medical facilities is sizeable. This high cost of transportation and the possibility of the department of health refusing to pay for the expenses has led to hesitation and uncertainty on the part of sick or injured employees which might prove fatal in cases of emergencies.

It is therefore urgent and in the public interest that the State immediately rectify this situation by assuring the department of health employees at Kalaupapa prompt and adequate medical care in times of sickness or injury.

SECTION 2. Section 50-6 of the Revised Laws of Hawaii 1955 is amended to read as follows:

**"§ 50-6. Officers and employees; sickness and accident; expense.** If any officer or employee of the department becomes ill or is injured at the settlement at Kalaupapa and, in the opinion of the department or its agents, suitable medical, hospital, nursing or other services or facilities are not available there, the department shall incur and pay the reasonable and necessary expenses of removing and transporting such officer or employee to a place within the State where suitable hospital facilities or treatment can be secured."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 64**

S. B. 182.

A Bill for an Act Amending Chapter 139 of the Revised Laws of Hawaii 1955, as Amended, Relating to County and Municipal Bonds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The purpose of this Act is to authorize the financing of improvements by assessments through the sale of general obligation bonds and the use of the

proceeds of general obligation bonds to establish, maintain or replenish a special assessments revolving fund to provide financing for such improvements.

Improvements by assessments are important to orderly growth and development and a major program for providing necessary improvements and facilities.

The financing of improvements by assessments through the sale of improvement district bonds secured only by assessments as a lien upon the lands assessed is becoming increasingly difficult because of waning interest among some prospective purchasers of such bonds and because the size of such bond sales contemplated for improvement districts in various stages of development exceed the capacity of other prospective purchasers to purchase such bonds.

Lack of financing for improvements by assessments could cause this program to falter and seriously impair orderly growth and development and a major program for improvement.

It is urgent and necessary that the authorization provided by this Act be granted to insure the availability of financing for improvements by assessments.

SECTION 2. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended as follows:

(a) By amending section 139-2 thereof, relating to purposes of issuance, to read as follows:

**"Sec. 139-2. Purposes of issuance.** Such bonds shall be issued only for public improvements of the county, including without limitation, special improvements, the cost of which is assessed or assessable in whole or in part against properties benefited or improved by such improvements; provided that the issuance of such bonds for such special improvements shall be limited to special improvements initiated by the county."

(b) By amending section 139-3 thereof, relating to method of authorization and to read as follows:

**"Sec. 139-3. Method of authorization.** Bonds issued pursuant to this chapter shall be authorized by an ordinance or resolution of the board, which ordinance or resolution may relate to more than one public improvement. It shall be a sufficient recital of purpose of issuance if such ordinance or resolution recites that the proceeds of the bonds authorized therein are to be used to pay all or part of the cost of appropriations for public improvements made in a capital budget ordinance or resolution, identified in the bond authorizing ordinance or resolution, or are to be used to establish, maintain or replenish the special assessment revolving fund of the county, and neither the individual appropriations nor public improvements to which such proceeds are to be applied need be specified in such bond authorizing ordinance or resolution. The purpose or purposes of issuance need not be stated in any bond."

(c) By amending section 139-11 thereof, relating to use of proceeds, to read as follows:

**"Sec. 139-11. Use of proceeds.** The proceeds of the bonds so issued shall be exclusively devoted to the purposes for which the same are issued; provided, however, that by an affirmative vote of two-thirds (2/3) of all of the members of the board of supervisors, that part of such proceeds which are in excess of the amounts required for the purposes for which such bonds were initially issued, or which may not be applied to such purposes or which the board deems should not be applied to such purposes, may be applied to such other public improvements of the county as the board may determine, or may be applied to the redemption or retirement of general obligation bonds of the county; and provided further, the actual use and application of the proceeds of bonds issued pursuant to this Chapter shall not in any way affect the validity or legality of such bonds."

(d) By amending Section 139-12 thereof by deleting the word "five" in the first sentence thereof and substituting therefor the word "six."

(e) By amending Section 139-23, thereof, relating to controlling relationship of the provisions of the chapter, to read as follows:

**"Sec. 139-23. Provisions of chapter controlling.** Insofar as the provisions of this chapter are inconsistent with the provisions of any law or charter, the provisions of this chapter shall be controlling. The powers conferred by this chapter shall be in addition and supplemental to the powers conferred by any other law or charter, and bonds may be issued hereunder for any public improvement, including special improvements the cost of which is assessed or assessable in whole or in part against properties benefited or improved thereby, notwithstanding that any other law or charter may provide for the issuance of bonds for like purposes and without regard to the requirements, restrictions or other provisions contained in any other law or charter. Bonds may be issued under this chapter notwithstanding any debt or other limitation prescribed by any other law or charter and without obtaining the consent of any commission, board, bureau, agency or department of the state, and without any other proceeding or happening of any other condition or thing than those proceedings, conditions or things which are specifically required by this chapter, and the mode and the method of procedure for the issuance of bonds under this chapter need not conform to the provisions of any other law or charter. The authorization, issuance and validity of bonds under this chapter shall not be dependent on or affected in any way by proceedings taken, contracts made, acts performed or done in connection with, or in furtherance of any public improvement undertaken by the county authorizing and issuing the bonds, or by the validity of any such proceedings, contracts, or acts, nor shall the authorization, issuance and validity of bonds issued under this chapter be dependent upon or affected in any way by the proceedings taken in connection with the creation of any improvement district and the fixing or imposition of any assessments or by the validity of any such proceedings or assessments, nor shall the authorization, issuance and validity of bonds issued under this chapter be dependent in any way upon the due adoption or enactment of any capital program or capital budget ordinance or resolution or upon the continued effectiveness of any appropriation made in any

capital budget, ordinance or resolution; provided, that nothing in this section shall be deemed to permit the application of the proceeds of such bonds to appropriations which have lapsed pursuant to the provisions of law or of a charter."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 65**

**S. B. 347.**

**A Bill for an Act Relating to Exemptions from Improvement District Assessments.**

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The construction of permanent improvements to real property, especially if the financial burden is shared between government and the property owners benefiting from the improvements, should and is encouraged by the Legislature.

This goal is achieved very successfully through the enactment of improvement district statutes by the Legislature granting unto each county or city and county the procedure and power to create and establish improvement districts.

However, the improvement district statutes are not uniform and consistent. Thus this Act, which attempts to achieve uniformity insofar as exemptions to assessments are concerned, is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Chapter 138 of the Revised Laws of Hawaii 1955 is amended by adding a new section to be appropriately designated and to read as follows:

"Section 138. Subject to sections 146-134, 147-113, 148-124 and 153-3, any land exempted by law from payment of property taxes which land is owned by a society, association or corporation engaged in religious, charitable, educational, scientific, literary or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association or corporation shall be distributed to another society, association or corporation engaged in religious, charitable, educational, scientific, literary or other benevolent purposes shall be exempt from assessments to pay for the cost of any improvements included in any improvement district."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

## ACT 66

H. B. 26.

A Bill for an Act Relating to Billiard or Pool Table Licenses and Amending Chapter 155, Revised Laws of Hawaii 1955.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure within the meaning of section 11 of Article III of the State Constitution.

The following is a statement of facts constituting such urgency:

Existing law forbids any person under the age of eighteen years to be or remain in or about any premises where licensed billiard or pool tables are had and operated. The effect of this prohibition, enacted in 1911, has been to keep persons under eighteen out of billiard or pool halls during the day as well as at night and even though accompanied by a parent or legal guardian. This situation has placed severe financial burdens on billiard or pool hall operators, especially those establishments which have sought to present the game billiard or pocket pool as family recreation. It is therefore urgent and in the public interest that the absolute prohibition be modified so as adequately to protect the morals of our youth as well as ease the severe financial burden placed on the billiard or pool hall operators by the present prohibition and so as to authorize the county government to deal with what is essentially a community concern.

SECTION 2. Chapter 155, Revised Laws of Hawaii 1955 is amended in the following respects:

a. By amending section 155-40 to read as follows:

“§ 155-40. Regulations; penalty, forfeiture. No person under the age of eighteen years shall be permitted to be or remain in or about any premises where licensed billiard or pool tables are had and operated unless the minor person is accompanied by his spouse, parent or guardian. No intoxicating liquor shall be allowed, furnished or possessed in such premises. In addition to these conditions, the treasurer or director of finance of the county may prescribe other regulations for the keeping of billiard or pool tables and bowling alleys as he may deem necessary for the public good; provided that the treasurer or director of finance of the county shall not prohibit by such regulations any person licensed to keep a billiard or pool table from employing or hiring any person or allowing any person to operate the licensed billiard or pool table who has been convicted for gambling more than three years prior to the time of employment or hiring.

Any person violating the above conditions or any of the regulations so prescribed, shall be fined not more than \$250, and shall, in the discretion of the court, suffer a forfeiture of his license.”

b. By adding a new section to read as follows:

“§ 155-40.5. Ordinances, effect. Each of the counties hereby authorized to enact and enforce ordinances regulating the presence of persons under the age of eighteen years on or about premises where licensed billiard or pool tables are had and operated pursuant to the provisions of this Act.

Upon each of the counties enacting an ordinance pertaining to the presence of persons under the age of eighteen years on or about premises where licensed billiard or pool tables are had or operated, then so far as that county is concerned, such ordinance shall have full force and effect and shall supersede sections 330-17 and 330-18 to the extent applicable to premises where licensed billiard or pool tables are had or operated."

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 67**

H. B. 60.

A Bill for an Act Relating to the Hawaii Capital Loan Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Act 42, Session Laws of Hawaii 1964, was passed for the purpose of allowing the Department of Planning and Economic Development greater latitude in implementing its responsibilities. It liberalized existing loaning provisions and enabled the State to loan funds to local development corporations. The Act also provided for an appropriation for the revolving fund.

Act 42 contains some fiscal limitations which could severely restrict the scope of the loan program. These fiscal limitations should be adjusted as soon as possible to render the loan program more effective.

**SECTION 2.** There is appropriated out of the general revenues of the State the sum of \$250,000 to be deposited into the Hawaii capital loan revolving fund to be used for the authorized purposes of the fund.

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 9, 1968.)

**ACT 68**

H. B. 194.

A Bill for an Act Relating to the Public Lands of the State of Hawaii.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The State government is the largest single landowner in the State of Hawaii. Many parcels owned by the State of Hawaii are capable of and should be developed and put into more productive use as soon as possible. There is a

strong demand for residential lands and commercial properties on the island of Oahu. There are significant and growing demands for more resort properties on the neighbor islands in areas owned by the State of Hawaii.

The development of state lands will generate additional income for the State of Hawaii which shall assist materially in the development of the State of Hawaii for the public welfare. In addition, the development of state lands would provide more jobs and economic opportunities for increased numbers of the citizens and would directly benefit the economy of the county in which the lands are located and the economy of the State in general.

In order to achieve the foregoing ends with a minimum burden upon public funds, section 103A-56.1, Revised Laws of Hawaii 1955, (Supp. 1965), was designed among other things to facilitate public land development through private developers, utilizing private financing, which would be repaid, and a fair return realized, from proceeds of sale in fee or lease of the developed lands.

However, section 103A-56.1 has not accomplished its intended purpose in that it has proved to be procedurally burdensome and lacking in the flexibility necessary to attract responsible and prudent developers. Thus, the development of state lands and the productive use of State lands by the citizenry of this State has not progressed as fast or as much as desirable.

Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

**SECTION 2.** Section 103A-56.1 of the Revised Laws of Hawaii 1955, as amended, is further amended to read as follows:

**A. Development of leasehold project through private developer.** Notwithstanding anything in this chapter to the contrary, the board may, by negotiation and without recourse to public auction, with the prior approval of the governor and authorization of the Legislature by concurrent resolution approving a development project, (1) lease public lands, including submerged lands to be reclaimed at the developer's or developers' expense, to a private developer or developers, or (2) enter into a development agreement with a private developer or developers, for development and subdivision of such public lands as a leasehold project for agricultural, industrial, single-family or multiple-family residential, commercial, business or hotel and resort uses, as provided in this subsection.

Prior to leasing any public land to, or entering into a development contract with, a developer or developers, the board shall:

a. Determine (1) whether the lands shall be developed by disposition or contract; (2) the location, area and size of the lands to be developed; (3) the use or uses to which the lands shall be put, which shall be in conformity with the applicable state, city and county or county zoning and subdivision laws, ordinances or regulations; (4) the estimated period of time to construct and complete the development; (5) minimum requirements for on-site and off-site improvements, if any; (6) whether any beach rights-of-way or public

game preserves should be established; and (7) such other terms and conditions as shall be deemed necessary by the board;

b. Set the minimum rental of the lands to be developed on the basis of an appraisal report prepared by an appraiser for the board determining the fair market value of the lands to be developed;

c. Give notice of the proposed disposition or contract by publication at least once in each of three successive weeks in a newspaper of general circulation in the State and in addition in a newspaper of general circulation in the appropriate county if the land is situated in the first, second and fourth districts. Such notice shall invite interested persons to submit applications to be selected as the developer or developers for the project and sealed bids for the development of the lands. The notice shall also state in general terms the size, location and minimum rental of the area to be leased to the developer or developers, the minimum requirements for any required off-site and on-site improvements, the maximum estimated period of time to install and complete the construction of any required improvements, the use or uses to which such lands shall be put, the last date on which applications and sealed bids will be received by the board, which date shall not be less than thirty days or more than ninety days after the last date of publication of such notice, and the times and places at which more detailed information with respect to the disposition or contract may be secured by interested persons.

Each applicant shall include, together with his sealed bid, a financial statement and his performance and experience records in real estate development, provided, that the board may also, in its discretion, require the applicant to submit answers, under oath, to questions contained in a questionnaire prepared by the board; the applicant's sealed bid shall include a development plan in as much detail as possible and including but not limited to the following: his proposal as to how and when he intends to develop the land, including any permitted incremental development, the amount of money he intends to commit to the total project, the method of recovery of his costs and profits, the amount he agrees to pay to lease or contract to develop the land, and the income the State will receive from leases;

d. Establish reasonable criteria for the selection of the private developer or developers;

e. Determine within forty-five days of the last day for filing applications; the applicant or applicants who meet the criteria for selection set by the board, and notify all applicants of its determination within seven days of such determination. Any applicant may examine the basis of the determination, which shall be in writing, to ascertain whether or not the conditions and criteria established by the board were followed; provided, that, if any applicant does not notify the board of his objections and the grounds therefor, in writing, within ten days of the receipt of such notice, he shall be barred from proceeding to seek legal remedy for an alleged failure of the board to follow the conditions and criteria; and

If only one applicant meets the criteria for selection as the developer, the board may then negotiate the details of the disposition of such public

lands to, or enter into a development contract with, the developer; provided, that the terms of the disposition or contract shall not be less than those proposed by the developer in his application and shall be subject to the concurrence of the governor. If two or more applicants meet the criteria for selection, the board shall consider all of the relevant facts of the disposition or contract, the proposals submitted by each applicant, the experience and financial capability of each applicant and shall within forty-five days from the date of selection of the applicants that met the criteria, select the applicant who submitted the best offer. The board may then negotiate the details of the disposition of such public lands or enter into a development contract with the developer; provided, that the terms of the disposition or contract shall not be less than those proposed by the developer in his application and shall be subject to the concurrence of the governor.

The terms of any disposition or development contract shall include the following, wherever appropriate:

1. The development and subdivision shall comply with appropriate state, county and city and county zoning and subdivision requirements.
2. The developer or developers shall file with the board a good and sufficient bond conditioned upon the full and faithful performance of all the terms, covenants and conditions of the disposition or development contract.
3. The use or uses to which the land will be put. Development of large, though economic, tracts of land with multiple but complementary uses should be encouraged.
4. The dates on which the developer must submit preliminary plans and final plans and specifications for the total development to the board for approval, which approval shall not be arbitrarily or capriciously withheld. No construction shall commence until the board has approved the final plans and specifications; provided, that with board approval construction on an incremental basis may be permitted.
5. The date of completion of the total development, including the date of completion of any permitted incremental development.
6. The minimum requirements for off-site and on-site improvements that the developer must install, construct and complete by the date of completion of the total development. The board may permit incremental development and establish the minimum requirements for off-site and on-site improvements that must be installed, constructed and completed prior to the date of completion of the total development.
7. In the event of a lease the developer may be permitted, after he has completed construction of any required off-site improvements, to assign or sublease with board approval portions of the leased lands in which the construction of any required off-site improvements have been completed to a purchaser or sublease who shall assume the obligations of the developer relative to the parcel being assigned or subleased, including the construction of any on-site improvements. The board may permit a developer to share in the lease rent for a fixed period in order to recover his costs and profit.

8. A development agreement may provide that the board shall issue a lease to the nominee or nominees of the developer, including himself, pursuant to the terms previously negotiated and agreed upon between the developer and the board, including the lease rent to the lessee and the method of recoupment of expenses and profit by the developer.

9. The board shall lay out and established number of rights-of-way from proposed or established highways to the public beaches and game preserves in order that the right of the people to utilize the public beach or beaches and public game preserves shall be protected.

Prior to leasing or entering into any development contract, the board shall determine the feasibility of hunting on such lands, and if any of them is suitable for hunting or may during the term of the lease become suitable for hunting, the board may reserve such lands as game preserves. Where the board finds that hunting on such lands would not be consistent with the rights of the lessee or for other good cause, the board need not reserve such lands as game preserves.

The cost of such rights-of-way and any fencing which may be required shall be borne by the State, lessee or jointly as the board may deem appropriate prior to the leasing of such lands.

In any disposition of beach-front lands, the board shall give consideration to the needs of the public for beach area above and below the high-water mark.

10. The board may include in any development contract or lease, provisions concerning notice of breach or default, rights of a holder of a security interest, and consent to mortgage as set forth in sections 103A-20, 21 and 22, respectively.

11. Such other terms and conditions set by the board.

f. The term "developer" as used in this section shall mean a person, firm, corporation, partnership, association, trust or other legal entity, or a combination of any thereof, who or which has experience in the development and subdivision of land for single-family, multiple-family, industrial, hotel and resort, business commercial, or agricultural uses and has the financial ability satisfactory to the board to develop and subdivide land.

**B. Fee simple residential development through private developer.** Notwithstanding anything in this chapter to the contrary, the board may, by negotiation and without recourse to public auction, with the prior approval of the governor and authorization of the legislature by concurrent resolution approving the development project, dispose of public lands, including submerged lands to be reclaimed at developer's or developers' expense, by sale of the fee, for single-family or multiple-family residential uses, as provided in this subsection.

Prior to the sale in fee of any public land to a developer or developers, the board shall:

a. Determine (1) the location, area and size of the lands to be developed; (2) the use or uses to which the lands shall be put, which shall be in

conformity with the applicable state, city and county or county zoning and subdivision laws, ordinances or regulations; (3) the estimated period of time to construct and complete the development; (4) minimum requirements for on-site and off-site improvements, if any; (5) whether any beach rights-of-way or game preserves should be established; and (6) such other terms and conditions as shall be deemed necessary by the board;

b. Set the minimum sale price of the lands to be developed on the basis of an appraisal report prepared by an appraiser for the board determining the fair market value of the lands to be developed;

c. Give notice of the proposed disposition by publication at least once in each of three successive weeks in a newspaper of general circulation in the State and in addition in a newspaper of general circulation in the appropriate county if the land is situated in the first, second and fourth districts. Such notice shall invite interested persons to submit applications to be selected as the developer or developers for the project and sealed bids for the development of the lands. The notice shall also state in general terms the size, location and minimum sale price of the area to be sold to the developer or developers, the minimum requirements for any required off-site and on-site improvements, the maximum estimated period of time to install and complete the construction of any required improvements, the use or uses to which such lands shall be put, the last date on which applications and sealed bids will be received by the board, which date shall not be less than thirty days or more than ninety days after the last date of publication of such notice, and the times and places at which more detailed information with respect to the disposition may be secured by interested persons.

Each applicant shall include, together with his sealed bid, a financial statement and his performance and experience records in real estate development, provided, that the board may also, in its discretion, require the applicant to submit answers, under oath, to questions contained in a questionnaire prepared by the board; the applicant's sealed bid shall include a development plan in as much detail as possible and including but not limited to the following: his proposal as to how and when he intends to develop the land, including any permitted incremental development, the amount of money he intends to commit to the total project, the method of recovery of his costs and profits, and the amount he agrees to pay to purchase the land;

d. Establish reasonable criteria for the selection of the private developer or developers;

e. Determine within forty-five days of the last day for filing applications, the applicant or applicants who meet the criteria for selection set by the board, and notify all applicants of its determination within seven days of such determination. Any applicant may examine the basis of the determination, which shall be in writing, to ascertain whether or not the conditions and criteria established by the board were followed; provided, that, if any applicant does not notify the board of his objections and the grounds therefor, in writing, within ten days of the receipt of such notice, he shall be barred from pro-

ceeding to seek legal remedy for any alleged failure of the board to follow the conditions and criteria; and

If only one applicant meets the criteria for selection as the developer, the board may then negotiate the details of the disposition of such public lands to the developer; provided, that the terms of the disposition shall not be less than those proposed by the developer in his application and shall be subject to the concurrence of the governor. If two or more applicants meet the criteria for selection, the board shall consider all of the relevant facts of the disposition, the proposals submitted by each applicant, the experience and financial capability of each applicant and shall within forty-five days from the date of selection of the applicants that met the criteria, select the applicant who submitted the best offer. The board may then negotiate the details of the disposition of such public lands with the developer; provided, that the terms of the disposition shall not be less than those proposed by the developer in his application and shall be subject to the concurrence of the governor.

The terms of the disposition shall include the following:

1. The development and subdivision shall comply with appropriate state, county and city and county zoning and subdivision requirements;
2. The developer or developers shall file with the board a good and sufficient bond conditioned upon the full and faithful performance of all the terms, covenants and conditions of the disposition;
3. The use or uses to which the land will be put.
4. The dates on which the developer must submit preliminary plans and final plans and specifications for the total development to the board for approval, which approval shall not be arbitrarily or capriciously withheld. No construction shall commence until the board has approved the final plans and specifications; provided, that with board approval construction on an incremental basis may be permitted.
5. The date of completion of the total development, including the date of completion of any permitted incremental development.
6. The minimum requirements for off-site and on-site improvements that the developer must install, construct and complete by the date of completion of the total development. The board may permit incremental development and establish the minimum requirements for off-site and on-site improvements that must be installed, constructed and completed prior to the date of completion of the total development.
7. The title to the land shall remain in the State until the purchaser has made all payments required in the terms of the sale and has constructed the improvements as agreed; provided, that the developer may assign, with the approval of the board, his sales agreement with the board as security for a loan to finance the balance of or a part of either the purchase price of the land or the cost of improvements, or both; provided, further, that if incremental development is permitted and the developer has completed construction of the required improvements in the increment and is able to pay or has paid for the agreed purchase price of the land within the increment, then the developer

shall be entitled to a land patent or a deed to the land within such completed increment.

8. The board shall lay out and establish over and across such lands a reasonable number of rights-of-way from proposed or established highways to the public beaches and game preserves in order that the right of the people to utilize the public beach or beaches and public game preserves shall be protected.

The board may provide for the reservation of any lands within the lands to be disposed as game preserves if the board determines the establishment of such game preserves to be in the public interest.

The cost of such rights-of-way and fencing which may be required shall be borne by the State, developer or jointly as the board may deem appropriate prior to the disposition of such lands.

In any disposition of beach-front lands, the board shall give consideration to the needs of the public for beach area above and below the high-water mark.

9. The board may include in any sales agreement provisions concerning notice of breach or default, rights of a holder of a security interest, and consent to mortgage as set forth in sections 103A-20, 21, and 22, respectively.

10. Such other terms and conditions set by the board.

f. The term "developer" as used in this section shall mean a person, firm, corporation, partnership, association, trust or other legal entity, or a combination of any thereof, who or which has experience in the development and subdivision of land for single-family or multiple-family residential uses and has the financial ability satisfactory to the board to develop and subdivide land.

**SECTION 3.** This Act shall take effect on July 1, 1968.

(Approved May 9, 1968.)

**ACT 69**

H. B. 501.

**A Bill for an Act Amending Act 3, Special Session Laws of Hawaii 1960,  
Relating to the Redevelopment of Area of Hilo Devastated by Tsunami.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The Hawaii Redevelopment Agency anticipates that upon completion of Project Kaiko'o, there will be approximately \$800,000 worth of excess federal non-cash grant-in-aid credits due the county of Hawaii. Under present federal policy these credits may not be withdrawn from the project in the form of cash but may be utilized toward paying for the local government's share of other redevelopment projects. Legislation is necessary to amend the law relating to the redevelopment of areas of Hilo devastated by the tsunami of May

23, 1960 to include other redevelopment projects as well, thus providing for the utilization of these excess credits.

SECTION 2. The first sentence of section 1, Act 3, Special Session Laws of Hawaii 1960, is hereby amended to read as follows:

"Section 1. There is hereby appropriated from the general revenues of the State, not otherwise appropriated, the sum of \$25,000 or so much thereof as may be necessary to the Hawaii redevelopment agency to be expended for the purpose of preliminary organizational expenses, administrative expenses and overhead, and other necessary costs relating to the redevelopment of the area of the city of Hilo devastated by the tsunami of May 23, 1960, or such other redevelopment projects as may be undertaken."

SECTION 3. Section 2, Act 3, Special Session Laws of Hawaii 1960, is hereby amended to read as follows:

"Section 2. The department of budget and review is hereby authorized to issue state general obligation bonds as and in the manner provided by law in the sum of \$2,500,000, or so much thereof as may be necessary, for the purpose of paying the local government's share of redevelopment project undertaken with federal financial assistance covering all or part of an area of the city of Hilo damaged by the tsunami of May 23, 1960, or such other redevelopment projects as may be undertaken. The proceeds of such bond sale, or so much thereof as may be necessary, are hereby appropriated to the county of Hawaii for the purpose of assuring and paying, when needed, the amount of the local cash grant-in-aid for such redevelopment projects as may be required under any contracts for federal financial assistance for such projects."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 9, 1968.)

## ACT 70

H. B. 280.

A Bill for an Act Relating to Leahi Hospital and Making an Appropriations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The State of Hawaii provides approximately ninety-seven per cent of the operating budget of Leahi Hospital. Although Leahi Hospital conducts health programs under contract with the State, its employees are not employees of the State. This is an inequity and it is urgent and in the public interest that these employees, who in essence perform services for the State, be made employees of the State so that they may enjoy the full benefits of such employment.

**SECTION 2. Definitions.** The following words shall have the following meanings:

"Department" means the University of Hawaii.

"Hospital" means the Leahi Hospital.

**SECTION 3. Transfer.** The employees of the hospital employed on the effective date of this Act are transferred to the department and shall thereafter be state employees and enjoy all of the rights, privileges and benefits and be subject to the duties and responsibilities of employees of the State.

**SECTION 4. Civil service; compensation.** The director of personnel shall determine the applicability of chapters 3 and 4, Revised Laws of Hawaii 1955, to the transferred employees. Employees whose compensation at the time of transfer is in excess of compensation provided under these chapters shall be retained by the department, without loss of compensation.

**SECTION 5. Vacation; sick leave.** Upon certification by the hospital of accumulated and earned vacation and sick leave, the transferred employees shall be credited, under chapter 5, Revised Laws of Hawaii 1955, with their accumulated and earned vacation and sick leave to the extent that public employees are allowed to earn and accumulate these credits.

**SECTION 6. Retirement system.** Upon the transfer, the employees shall be admitted to membership in the retirement and post-retirement systems provided for in chapter 6, Revised Laws of Hawaii 1955. Upon certification of years of service and the transfer of funds in the hospital's retirement plan to the state retirement system by the hospital, all transferred employees shall be given prior service credits under chapter 6 for their years of service at the hospital. The amount of any state retirement system benefit paid to an employee transferred by this Act for this prior service shall in no case be less than the employee would have received under the hospital's retirement plan.

**SECTION 7. Citizenship; residency.** The requirements as to citizenship and residency in section 5-1, Revised Laws of Hawaii 1955, shall not apply to employees transferred from the hospital to the department.

**SECTION 8. Plan for acquisition of property.** The department, in conjunction with the attorney general, shall develop a plan for acquisition of the real and personal property of the hospital not presently owned by the State and shall present this plan to the fifth legislature twenty days before the commencement of the regular session of 1969. Nothing in this section shall be deemed to prohibit the acceptance by the State of any property of the hospital which may be donated or conveyed to it or to prohibit the commencement of any proceeding in eminent domain or other action to acquire the property of the hospital.

**SECTION 9. Appropriation.** There is appropriated out of the general revenues of the State the sum of \$113,746, or so much thereof as may be necessary, to be expended by the department for the purposes of this Act.

**SECTION 10. Effective date.** This Act shall, upon its approval, take effect on January 1, 1969.

(Approved May 9, 1968.)

**ACT 71**

**H. B. 444.**

**A Bill for an Act Relating to Vocational Education.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Senate Concurrent Resolution No. 43 of the 1967 General Session requested the University of Hawaii, the Department of Education and the Commission on Manpower and Full Employment to develop a comprehensive master plan for vocational education in Hawaii. After much thought and study by knowledgeable citizens and in compliance with the concurrent resolution, a publication entitled: *A State Master Plan for Vocational Education*, was transmitted to the Fourth State Legislature, Budget Session of 1968. Among the recommendations made in the report are the following: (1) that the board of regents be designated as the board of vocational education; (2) that an official coordinating advisory council be established; and (3) that the administration of the training portion of the Manpower Development and Training Act, presently administered by the Department of Education, be transferred to the community college system. The recommendations were made to improve vocational education and training and it is urgent and in the public interest that the structural and functional recommendations be implemented at the earliest time.

**SECTION 2. Declaration of purpose.** The purpose of this Act is to effect certain changes in the jurisdiction with respect to and administration of vocational education in Hawaii. This is a reorganization not intended to diminish the existing vocational education training programs but a reorganization to serve as a means of improving such programs and of achieving meaningful articulation of the secondary level vocational education and the community college system.

**SECTION 3.** Sections 42-20, 42-21, 42-22, and 42-25, Revised Laws of Hawaii 1955, are repealed in their entirety.

**SECTION 4.** Chapter 44 of the Revised Laws of Hawaii 1955 is amended by adding thereto the following sections:

“Sec. 44- . Acceptance of federal aid. The State accepts, together with the benefits of all respective funds appropriated thereby, all of the provisions of the Act of Congress approved February 23, 1917, entitled: “An Act to provide for the promotion of vocational education; to provide for cooperation with the states in the promotion of such education in agriculture,

trade and industries; to provide for the cooperation of the States in the preparation of teachers of vocational subject; and to appropriate money and regulate its expenditure" and any acts which amend or supplement the Act.

**Sec. 44- . State board for vocational education.** The board of regents of the University of Hawaii is designated as the state board for vocational education. The chairman of the board of regents is designated as the chairman of the board for vocational education and the president of the University of Hawaii, its administrative officer.

**Sec. 44- . Board's power and authority.** The board may cooperate with the United States Department of Health, Education and Welfare in the administration of the provisions of the Acts of Congress mentioned in section 44- , and do all things necessary to entitle the State to receive the benefits of each of the respective funds appropriated by such Acts; represent the State in any and all matters arising out of or connected with the administration of such Acts of Congress insofar as the same shall apply to the State; represent the State in any or all matters in reference to the expenditure, distribution, and disbursements of moneys received from such acts; designate such colleges, schools, departments or classes as may be entitled to participate in the benefits of moneys received from the appropriations made in such Acts as in its judgment and discretion will best subserve the interests of vocational education in the State and carry out the spirit, purposes, and provisions of such Acts of Congress; establish and determine by general regulations, the qualifications to be possessed by persons teaching agricultural, trade, industrial, and home economics subjects in the colleges or schools coming under the provisions of such Acts of Congress in the State; and enforce rules and regulations concerning the granting of certificates and licenses to such teachers and to certificate such teachers. The board may delegate some of its responsibilities relating to the establishment of qualifications for and certification or licensing of vocational teachers. The board shall make an annual report to the governor describing the conditions and progress of vocational education during the year and include therein an itemized statement showing the receipts and expenditures of all moneys used in connection with such education.

**Sec. 44- . Vocational education coordinating advisory council.** There is established a vocational education coordinating advisory council which shall serve in an advisory capacity to the board of regents. The council shall consist of eleven members, nine appointed and two ex officio voting members. Of the nine appointed members, three shall be appointed from the board of regents of the University of Hawaii by the chairman of that body, three shall be appointed from the board of education by the chairman of that body, and three shall be appointed from the state commission on manpower and full employment by the chairman of that body. Of the three members appointed from the commission on manpower and full employment, one member shall represent management, one member shall represent labor, and the third shall represent the public. Of the two ex officio members one shall be

the vice president for community colleges and the other shall be the superintendent of education.

Of the three members first appointed by each appointing authority, other than the chairman of the board of education, one shall be appointed for two years, one shall be appointed for three years, and one shall be appointed for four years. In the case of the members appointed from the board of education, the terms of such members shall be for their remaining terms as members of the board of education. Upon the expiration of the terms of the first members, their successors shall serve for a term of four years. Vacancies shall be filled by the appropriate appointing authority for the unexpired term.

The council shall elect a chairman and such other officers as it deems necessary. Section 7-26 shall apply. The members of the council shall serve without pay but shall be entitled to their traveling expenses within the State when attending meetings of the council or when actually engaged in business relating to the work of the council."

**SECTION 5.** Section 2 of Act 11, Session Laws of Hawaii 1964, as amended by Act 23, Session Laws of Hawaii 1965, is amended to read as follows:

"Section 2. The Department of Labor and Industrial Relations and the University of Hawaii are authorized to participate in the Manpower Development and Training Act of 1962, as amended, by providing from funds appropriated by the legislature for such purpose, in accordance with and to the extent required by the Federal Act, amounts necessary to match the amounts expended by the United States Treasury."

**SECTION 6.** The University of Hawaii shall succeed to all of the rights, powers, records, equipment, appropriation, or other property, and all of the duties and obligations incurred by the department of education in the exercise of the functions transferred by section 4 of this Act, whether such powers, duties, records, equipment, appropriation, other property or obligations are mentioned in or granted by any law, contract, or other document. All references in any such law, contract, or document to the Department of Education in connection with the function transferred under section 4 of this Act shall apply to the University of Hawaii as if it were specifically named in such law, contract, or document in place of the Department of Education.

All officers and employees whose functions are transferred by this Act shall be transferred with their functions to the University of Hawaii and shall continue to perform their regular duties upon the transfer. No employee of the State shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act.

**SECTION 7.** This Act shall take effect upon its approval.  
(Approved May 10, 1968).

ACT 72

H. B. 320.

A Bill for an Act Relating to the Compensation of Public Employees and Amending Act 302, Session Laws of Hawaii 1967.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Act 302, Session Laws of Hawaii 1967, relating to the compensation of public employees, provided a separate compensation plan for "blue-collar" classes to reflect the average of prevailing wages paid in the State for the same or similar kinds of positions. The Act aims to provide a level of salaries and wages which will assure government employees in "blue-collar" classes fair and reasonable compensation in a manner which is consistent with a competitive position in the labor market in which government must compete with other sectors for its manpower needs. However, there may be some sections of Act 302 which may lead to inequities in the establishment of the compensation plan. It is urgent and in the public interest that legislation be enacted to implement Act 302 and amend all sections thereof which may be necessary.

**SECTION 2. Purpose.** The purpose of this Act is to amend Act 302, Session Laws of Hawaii 1967, to: (1) adjust the cost of blue-collar wages to the financial condition of the State; (2) provide for a new blue-collar wage plan which is equitable to all employees of the State; and (3) specify the means whereby the prevailing wages in the community may be determined.

**SECTION 3.** Section 4-4.1 of the Revised Laws of Hawaii 1955, as provided for in section 2 of Act 302, Session Laws of Hawaii 1967, is hereby amended as follows:

(a) The second sentence of the first paragraph is amended to read as follows:

"The pay of employees who occupy such positions shall be fixed and adjusted biennially and shall, as nearly as is consistent with the public interest, reflect the average of prevailing wages paid in the State for the same or similar kinds of bench mark positions; provided that the provision of section 4-4, where it is not inconsistent with the provisions of this Act shall be applicable."

(b) The first paragraph of subsection a and paragraphs 1 and 2 of subsection a are hereby amended to read as follows:

a. In the new wage rate plan, the monthly rates of pay for blue-collar positions shall be determined by application of prevailing wages which shall be in accordance with the following provisions; provided that the wage survey

conducted for this purpose shall not include wages paid by the construction industry but shall include wages paid in other private industries and government jurisdictions in the State of Hawaii other than state and local jurisdictions, employing personnel in the State of Hawaii; provided further that if data on prevailing wages in the State for a class is lacking or insufficient, reasonable wage data of other areas which have pertinence to the State of Hawaii may be used:

1. the salary schedule applicable to blue-collar positions shall be comprised of 4 increment steps at 5% intervals.

2. the average of prevailing wages shall be reflected at step 3 of the schedule.

(c) Subsection c is hereby amended as follows:

(1) By amending the title to subsection c to read:  
"Implementation of wage board salary schedule."

(2) By deleting the words and figure "section 2a of this Act" from the first paragraph of paragraph 1 and substituting therefor the words and letter "subsection a of this section".

(3) By deleting the year "1967" from the second paragraph of paragraph 1 and substituting therefor the year "1969".

(4) By amending the first paragraph of paragraph 2 to read as follows:

"2. The appeals board referred to in section 4-4 shall provide for the publication of the tentative compensation plan. All petitions for appeal against the compensation plan, including the pricing of classes or whether the class should be included or excluded from the blue-collar plan, shall be filed with the appeals board within 20 days from the date of publication of the tentative plan."

(5) By deleting the year "1968" from the third paragraph and substituting therefor the year "1970".

(6) By amending the second sentence of the fourth paragraph to read as follows:

"The effective date of the approved plans shall be July 1, 1970; provided that the existing compensation for blue-collar positions shall remain in effect until the establishment and implementation of the new wage rate plan as provided herein."

(7) By adding at the end of the fourth paragraph of paragraph 2 the following:

"The legislature adopts the assignment of positions and classes to the wage board levels as submitted by the governor to the 1968 budget session. Notwithstanding the foregoing, for the period April 1, 1968 to June 30, 1970, the legislature approves the following wage schedules:

**WAGE BOARD SCHEDULE  
NON-SUPERVISORY**

<b>WB</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	354	373	390	411
	2.04	2.15	2.25	2.37
2	381	400	419	440
	2.20	2.31	2.42	2.54
3	388	407	428	449
	2.24	2.35	2.47	2.59
4	413	433	456	478
	2.38	2.50	2.63	2.76
5	439	461	484	508
	2.53	2.66	2.79	2.93
6	465	487	511	537
	2.68	2.81	2.95	3.10
7	489	513	539	567
	2.82	2.96	3.11	3.27
8	515	541	567	596
	2.97	3.12	3.27	3.44
9	567	595	626	657
	3.27	3.43	3.61	3.79
10	593	622	653	686
	3.42	3.59	3.77	3.96
11	621	652	683	718
	3.58	3.76	3.94	4.14
12	647	679	712	749
	3.73	3.92	4.11	4.32
13	673	707	742	780
	3.88	4.08	4.28	4.50
14	700	735	771	809
	4.04	4.24	4.45	4.67
15	726	763	801	841
	4.19	4.40	4.62	4.85

**WAGE BOARD SCHEDULE  
SUPERVISORY**

<b>Effective Grade Supervised</b>	<b>Foreman Level</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	WF	390	409	430	451
		2.25	2.36	2.48	2.60
	F I	425	447	468	492
		2.45	2.58	2.70	2.84
	F II	461	484	508	534
		2.66	2.79	2.93	3.08
	F III	496	520	546	574

		2.86	3.00	3.15	3.31
	GF	532	558	586	615
		3.07	3.22	3.38	3.55
2	WF	419	440	463	485
		2.42	2.54	2.67	2.80
	F I	458	480	504	529
		2.64	2.77	2.91	3.05
	F II	496	520	546	574
		2.86	3.00	3.15	3.31
	F III	534	560	588	617
		3.08	3.23	3.39	3.56
	GF	572	600	629	662
		3.30	3.46	3.63	3.82
3	WF	426	449	471	494
		2.46	2.59	2.72	2.85
	F I	466	489	513	539
		2.69	2.82	2.96	3.11
	F II	504	530	556	584
		2.91	3.06	3.21	3.37
	F III	544	570	600	629
		3.14	3.29	3.46	3.63
	GF	582	612	641	674
		3.36	3.53	3.70	3.89
4	WF	454	477	501	527
		2.62	2.75	2.89	3.04
	F I	496	520	546	574
		2.86	3.00	3.15	3.31
	F II	537	563	593	622
		3.10	3.25	3.42	3.59
	F III	579	607	638	669
		3.34	3.50	3.68	3.86
	GF	621	650	683	718
		3.58	3.75	3.94	4.14
5	WF	482	506	532	558
		2.78	2.92	3.07	3.22
	F I	527	553	581	608
		3.04	3.19	3.35	3.51
	F II	570	598	629	660
		3.29	3.45	3.63	3.81
	F III	614	645	678	711
		3.54	3.72	3.91	4.10
	GF	659	690	725	761
		3.80	3.98	4.18	4.39
6	WF	510	536	563	591
		2.94	3.09	3.25	3.41
	F I	556	584	614	645

		3.21	3.37	3.54	3.72
	F II	603	633	666	699
		3.48	3.65	3.84	4.03
	F III	650	681	716	752
		3.75	3.93	4.13	4.34
	GF	695	731	768	806
		4.01	4.22	4.43	4.65
7	WF	537	565	593	622
		3.10	3.26	3.42	3.59
	F I	588	617	647	679
		3.39	3.56	3.73	3.92
	F II	636	667	700	737
		3.67	3.85	4.04	4.25
	F III	685	719	756	792
		3.95	4.15	4.36	4.57
	GF	733	770	809	849
		4.23	4.44	4.67	4.90
8	WF	567	595	624	655
		3.27	3.43	3.60	3.78
	F I	617	648	681	714
		3.56	3.74	3.93	4.12
	F II	669	702	737	775
		3.86	4.05	4.25	4.47
	F III	721	756	794	834
		4.16	4.36	4.58	4.81
	GF	771	809	851	893
		4.45	4.67	4.91	5.15
9	WF	624	655	688	723
		3.60	3.78	3.97	4.17
	F I	679	714	751	787
		3.92	4.12	4.33	4.54
	F II	737	773	813	853
		4.25	4.46	4.69	4.92
	F III	794	834	875	919
		4.58	4.81	5.05	5.30
	GF	851	893	938	985
		4.91	5.15	5.41	5.68
10	WF	653	685	719	756
		3.77	3.95	4.15	4.36
	F I	712	747	785	825
		4.11	4.31	4.53	4.76
	F II	771	809	851	893
		4.45	4.67	4.91	5.15
	F III	830	872	915	962
		4.79	5.03	5.28	5.55
	GF	889	934	981	1030

		5.13	5.39	5.66	5.94
11	WF	681	716	752	789
		3.93	4.13	4.34	4.55
	F I	744	782	820	861
		4.29	4.51	4.73	4.97
	F II	806	846	889	933
		4.65	4.88	5.13	5.38
	F III	868	912	957	1005
		5.01	5.26	5.52	5.80
	GF	929	976	1024	1076
		5.36	5.63	5.91	6.21
12	WF	711	747	783	823
		4.10	4.31	4.52	4.75
	F I	777	815	855	898
		4.48	4.70	4.93	5.18
	F II	841	882	927	972
		4.85	5.09	5.35	5.61
	F III	905	950	998	1049
		5.22	5.48	5.76	6.05
	GF	971	1017	1069	1123
		5.60	5.87	6.17	6.48
13	WF	740	778	816	856
		4.27	4.49	4.71	4.94
	F I	808	848	891	934
		4.66	4.89	5.14	5.39
	F II	875	919	965	1012
		5.05	5.30	5.57	5.84
	F III	943	990	1038	1090
		5.44	5.71	5.99	6.29
	GF	1009	1061	1113	1168
		5.82	6.12	6.42	6.74
14	WF	770	808	849	891
		4.44	4.66	4.90	5.14
	F I	839	882	926	972
		4.84	5.09	5.34	5.61
	F II	910	955	1004	1052
		5.25	5.51	5.79	6.07
	F III	979	1028	1080	1134
		5.65	5.93	6.23	6.54
	GF	1049	1102	1158	1215
		6.05	6.36	6.68	7.01
15	WF	799	839	881	926
		4.61	4.84	5.08	5.34
	F I	872	915	960	1009
		5.03	5.28	5.54	5.82
	F II	945	991	1042	1094

	5.45	5.72	6.01	6.31
F III	1017	1068	1121	1177
	5.87	6.16	6.47	6.79
GF	1090	1144	1201	1262
	6.29	6.60	6.93	7.28

(8) Paragraph 3 is hereby amended to read as follows:

3. The salaries of employees who are covered under this section shall be converted from the existing schedule in the following manner:

(a) employees in steps B, C, D, and E of the existing salary schedule shall be assigned to step 1.

(b) employees in step F of the existing salary schedule shall be assigned to step 2.

(c) employees in step G of the existing salary schedule shall be assigned to step 3.

(d) employees in all longevity steps of the existing salary schedule shall be assigned to step 4.

(e) employees whose existing salary rates exceed the wage rates assigned to them under the new wage board schedules shall retain their existing rates until such time as their assigned wage rates exceed their salary rates which existed on the effective date of the conversion.

(f) the state shall assume the implementation cost of this plan for the counties for the period April 1, 1968 to June 30, 1968.

(d) Subsection d is hereby amended to read as follows:

d. Subsequent implementation of the wage board schedules. The compensation plan and wage board schedules for positions covered under this section shall be reviewed and adjusted biennially in accordance with subsection c of this section; provided that the November 15th date shall apply to odd-numbered years and the third Wednesday in February shall apply to even-numbered years. Said next adjusted plan and wage board schedules shall take effect on July 1, beginning in 1970 and in each even-numbered year thereafter."

SECTION 4. Section 3 of Act 302, Session Laws of Hawaii 1967, is hereby amended to read as follows:

"SECTION 3. Section 4-9, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new paragraph at the end thereof to read as follows:

"Any employee whose pay rate is converted to the compensation plan provided for under section 4-4.1, effective April 1, 1968, shall not receive the normal annual increment or longevity step to which he would have otherwise been entitled during the fiscal year 1968-69. In subsequent adjustments, any employee who is paid under the compensation plan provided for under section 4-4.1 shall not be entitled to his normal annual increment for a year's satisfactory service in any fiscal year that an increase in the wage schedule is effected."

SECTION 5. The sum of \$2,789,142, or so much thereof as may be

necessary, is hereby appropriated to the department of budget and finance from the general revenues as a supplement to and for the additional cost of pay increases provided for in Act 302, Session Laws of 1967, as amended by this Act.

**SECTION 6.** This Act shall take effect upon its approval.

(Approved May 10, 1968.)

**ACT 73**

**H. B. 365.**

A Bill for an Act Relating to Improvement by Assessment.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

At the present time, and pursuant to its police powers, the city and county of Honolulu requires that public utility lines in new subdivisions be installed underground and that the utility lines on certain streets be installed underground when said streets are improved pursuant to the improvement by assessment ordinance. The purpose of this requirement is to protect the public welfare, health, safety and good order of the people, for underground wires are not subject to wind and storm, help traffic, and do not constitute a hindrance to firemen in case of fires. Moreover, such underground wires enhance the natural beauty, sightliness and physical good order of the State as provided in section 5, Article VIII of the Constitution of the State of Hawaii.

In view of the rising costs of labor and materials, however, it is difficult for the utility companies to bear the entire cost of locating the utility wires underground. Because of the acuteness of the highway and traffic problems, the increase in the number of fires, and the need to preserve the natural beauty, sightliness and good order of the State, it is deemed urgent to enact legislation which would authorize the several counties to require overhead wires to be located underground when public improvements are constructed or improved pursuant to the improvement by assessment laws, and to further provide for a determination by the counties how the costs of underground wiring should be apportioned among the utility companies, the counties and the properties that are subject to assessment under the improvement by assessment laws.

**SECTION 2.** Purpose. The purpose of this Act is to protect the public welfare, health, safety and good order of the people by authorizing the several counties to require overhead utility lines to be located underground when public improvements are constructed or improved pursuant to the improvement by assessment laws, and to further provide for a determination by the counties how the costs of underground wiring should be apportioned among the utility companies, the counties and the properties specially benefited that

are subject to assessment under the improvement by assessment laws. Underground wires are not subject to wind and storm, help traffic, and do not constitute a hindrance to firemen in case of fires. Moreover, such underground wires enhance the natural beauty, sightliness and physical good order of the State as provided in section 5, Article VIII of the Constitution of the State of Hawaii.

SECTION 3. Chapter 138 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new section to be appropriately designated and to read as follows:

"Section 138-.... Notwithstanding any provision of law to the contrary, whenever any public improvement is established, constructed, improved or altered pursuant to the improvement by assessment statutes or ordinances, and in conjunction therewith it is necessary to provide for the installation or require the removal, relocation, replacement or reconstruction of public utility facilities that are privately owned, the respective legislative bodies of the counties shall determine whether the whole or a portion of such utility facilities shall be located overhead or underground. Where it is decided that the whole or a portion of the utility facilities shall be located underground, which installation underground shall constitute a public improvement, the respective legislative bodies of the counties shall determine what portion of the costs of the installation or the removal, relocation, replacement or reconstruction of the utility facilities required to go underground shall be borne by the utility companies, the counties and the properties specially benefited within the improvement district; provided that such costs borne by the counties and the utility companies shall be paid in a lump sum, and the costs that are allocated against the properties specially benefited in the improvement district shall be assessed and paid for in accordance with the provisions of the improvement by assessment statutes or ordinances; provided, further, that the counties may issue bonds under any applicable laws to pay their share of such costs and the costs allocated against the properties specially benefited may be financed under any applicable laws as are other special assessments against specially benefited property.

The foregoing provisions shall not be applicable to the subdivision of lands which require the installation of utility facilities in new streets established by the subdivision and which subdivision is initiated, created or made by a private developer."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 15, 1968.)

A Bill for an Act Making Appropriations Out of the General Revenues and Approving Expenditures from Other Sources for the Fiscal Period Ending June 30, 1969.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The following sums, or so much thereof as shall be sufficient to accomplish the purposes or programs of the agencies designated herein, are hereby appropriated out of moneys in the treasury from general revenues and the expenditures from other sources of revenues designated herein are hereby approved for the fiscal period beginning July 1, 1968 and ending June 30, 1969:

## EDUCATION

EDUCATION, DEPARTMENT OF		84,805,721
Total Requirements		108,662,293
Less Estimated:		
Federal Funds:		
Public Law 89-511, Library		434,081
Public Law 85-606, Civil Defense		27,264
Public Law 87-415, MDTA		308,241
Public Law 864, NDEA, Title III		296,893
Public Law 864, NDEA, Title V		94,739
Public Law 874, Defense Area		8,000,000
Public Law 89-750, Adult Basic Education, Title III		211,515
Public Law 88-452, Neighborhood youth corps		436,681
Public Law 88-452, Community Action		652,924
Public Law 85-926, Training of Teachers		58,543
Public Law 89-10, ESEA, Title I		2,376,608
Public Law 89-10, ESEA, Title I (follow through)		92,411
Public Law 89-10, ESEA, Title II		386,217
Public Law 89-10, ESEA, Title III		858,244
Public Law 89-10, ESEA, Title V (Includes former P. L. 864, Title X)		223,704
Public Law 89-750, Title VI of ESEA, as amended		120,000
Veterans' Training		11,693
Public Law 88-210, Vocational Education		263,837
Vocational Education (Smith-Hughes-George Barden)		261,857
Public Law 90-35, National Teachers Corps		119,172
Public Law 89-313, Handicapped Children		204,154
Public Law 89-564, National Highway Safety Act		25,000
Special Funds:		
School Lunch and Milk Subsidy		1,125,560
School Lunch Revenue		7,106,782
Lahaina Farm Sales		30,000
Driver Education, Student Fees		30,000
Adult Education		100,452
Net Appropriation		84,805,721

Provided, that the department may recruit for and make commitments to fill new certified instructional positions for the fiscal year 1969-1970.

Provided, further, that the limitation fixing the maximum authorized number of positions shall not apply for the fiscal year 1968-1969 to the Department of Education.

Provided, further, that if a sum less than \$8,000,000 is provided by Congress under the provisions of Public Law 874, or any other public law which amends or supersedes Public Law 874, then the difference between \$8,000,000 and the sum so provided is hereby appropriated; and provided, further, that if a sum greater than \$8,000,000 is provided, then this appropriation shall be reduced to the extent the estimated sum of \$8,000,000 is exceeded for the fiscal year 1968-1969.

Provided, further, that if a sum less than \$391,632 is provided by Congress under provisions of Public Law 864 or any other public law which amends or supersedes Public Law 864, then the difference between \$391,632 and the sum so provided is hereby appropriated, and provided, further, that if a sum greater than \$391,632 is

provided then this appropriation shall be reduced to the extent the estimated sum of \$391,632 is exceeded for the fiscal year 1968-1969.

Provided, further, that anything in the bill and the law, including section 35-29, Revised Laws of Hawaii 1955, as amended, to the contrary notwithstanding, funds authorized by this Act for the Department of Education which are unencumbered and unexpended on June 30, 1969, shall not lapse.

Provided, further, that general fund appropriations be expended to the extent necessary to defray any and all costs of operating public school cafeterias in excess of the moneys received from the sale of meals at their present prices, the sale of services, the federal government and from any other source.

Provided, that in the school bus transportation program, all positions, which were transferred from the counties to the department as a consequence of Act 203, SLH 1967, for which funds are appropriated in this budget shall be converted into permanent positions, and the incumbents of such positions shall be granted civil service status, within the meaning of chapters 3 and 4, RLH 1955, without loss of salary, seniority, prior service credit, vacation, sick leave or other employee benefit or privilege, and without the necessity of examination, retroactive to the date of their original employment by the counties.

<b>UNIVERSITY OF HAWAII</b>	<b>36,245,675</b>
Total Requirements	46,718,985
Less Estimated:	
Federal Funds:	
Morrill Act Income	224,000
Morrill-Nelson Bankhead Jones	215,000
National Defense Education Act (Language and Area Center)	85,180
National Defense Education Act (Title IV)	140,000
Higher Education Act of 1965 (Title IV)	450,000
Military Commutation	19,000
Smith-Hughes-George Barden	63,736
Public Law 864, NDEA, Title VIII	69,044
Public Law 88-210, Vocational Education Act of 1963	350,310
Hatch Act	343,482
Indirect Cost Reimbursement	1,200,000
Regional Research Fund	94,208
Regional Research Travel	10,051
McIntire-Stennis Forestry Act	23,190
Basic Research Fund	25,000
Water Resources Research Act	100,000
Smith-Lever Act	366,671
Agricultural Marketing Act	18,000
Rural Civil Defense Fund	18,900
Higher Education Act of 1965, Title I	114,338
Auxiliary Services—Subsidy	1,948
Special Funds:	
College of General Studies	1,213,976
Summer Session	1,365,166
Small Business Management	61,377
Advanced Management Program	123,700
Intramural and Inter-Collegiate Athletics	235,300
Project Funds	2,338,033
Revenue Bond Funds	412,236
U. H. Special Fund	102,726
Statistical and Computing Center	513,573
Community Colleges (Shops and School Lunch)	150,721
College of General Studies (State Foundation on Culture and Arts Trust Fund)	11,500
Economic Education	12,944
<b>Net Appropriation</b>	<b>36,245,675</b>

Provided, that the limitation fixing the maximum authorized number of positions shall not apply for the fiscal year 1968-1969 to the University of Hawaii.

Provided, further, that the University of Hawaii may recruit for and make commitments to fill new board of regents instructional positions for the fiscal year 1969-1970; provided, further, that appointments made under this authorization shall not become effective prior to July 1, 1969.

Provided, further, that the amount of the appropriation necessary to obtain allotments of grants made by the United States Government for agricultural extension service and agricultural experiment station operations shall be payable to the University of Hawaii, in toto, by single warrant, or by several warrants, representing periodic allotments but only if this is a necessary condition for receiving such federal allotments. Such disbursements of funds used to obtain the federal allotments may be regularly audited by the federal auditor and shall be subject to the same limitations as the character of expenditures of the federal funds which they offset.

Provided, further, that the University may contract for instructional personnel from July 1, 1968 to June 30, 1969 where such personnel will experience hardship in relocating to Hawaii.

Provided, further, that if federal funds in the amounts designated under the Morrill-Nelson, Bankhead-Jones Act, Hatch Act, and Smith-Lever Act, are not received, then the difference between the amounts designated and the amount received is hereby appropriated.

Provided, further, that the Legislative Reference Bureau may hire on contract not more than two persons, without regard to Chapters 3 and 4 of the Revised Laws of Hawaii 1955, to provide aid in the typing and other preparation of reports, bills and resolutions during the months of November to May of the fiscal year.

Provided, further, that no more than \$503,205 be expended and no more than 26.25 positions be assigned for Educational Television.

Provided, further, that the total estimated amount of \$1,200,000 and any sum in excess of this amount received by the University for indirect overhead expenses on account of research and training grants and contracts engaged in by the University shall be retained and expended by the University.

## DEVELOPMENT AND NATURAL RESOURCES

AGRICULTURE, DEPARTMENT OF		2,379,328(209)
General Administration		220,026(21)
Net Appropriation		43,907(5)
Marketing and Consumer Services		338,451(24.62)
Administration		89,608(9)
Commodities		36,237(4)
Crop and Livestock Reporting		139,052(14)
Market News Service		647,255(56.62)
Weights and Measures		
Total Requirements		26,000
Less Estimated:		8,000
Federal Funds		
Coffee Inspection Fees		613,255(56.62)
Net Appropriation		
Animal Industry		48,064(5)
Administration		165,766(9.5)
Livestock Disease Control		103,259(9)
Veterinary Laboratory		333,193(25)
Inspection and Quarantine		239,991(21.5)
Meat Inspection		22,000
Meat Grading		
Total Requirements		912,273(70)
Less Estimated Trust Funds		15,000
Net Appropriation		897,273(70)
Plant Industry		44,478(5)
Administration		270,932(29.75)
Plant Quarantine Inspection		169,178(16)
Entomology		91,622(4.63)
Weed, Seed, and Herbicide		576,210(55.38)
Total Requirements		

	Less Estimated Federal Funds	6,000
	Net Appropriation	570,210(55.38)
Milk Control		
	Net Appropriation	78,564(6)
Farm Loan		
Administration		99,951(7)
Farm Loan		967,500
	Total Requirements	1,067,451(7)
	Less Estimated:	
Farm Loan Reserve Fund		99,951(7)
Farm Loan Revolving Fund		967,500
	Net Appropriation	.....
Provided, that in the commodities program, the sum of \$16,000 provided for Kona coffee inspection shall be contingent on industry meeting not less than one-half of the total inspectional cost through the assessment of appropriate coffee inspection fees.		
<b>LAND AND NATURAL RESOURCES,</b>		<b>3,294,526(332.5)</b>
<b>DEPARTMENT OF</b>		
Departmental Administration		
	Net Appropriation	266,077(26)
Conveyances		
	Net Appropriation	340,621(42)
Fish and Game		
Administration		45,863(5)
Enforcement		246,255(26)
Fisheries, Research and Management		257,569(15)
Wildlife Research and Management		209,672(20)
	Total Requirements	759,359(66)
	Less Estimated:	
Special Funds		80,540
Federal Funds		210,100(1)
	Net Appropriation	468,719(65)
Forestry		
Administration		84,318(8)
Forest Management		746,896(67)
Research		84,511(2)
	Total Requirements	915,725(77)
	Less Estimated Federal Funds	83,800(1)
	Net Appropriation	831,925(76)
Land Management		
Land Management		288,767(31.5)
Hawaii Soil and Water Conservation		2,900
	Net Appropriation	291,667(31.5)
State Parks		
	Net Appropriation	500,993(75)
Water and Land Development		
Administration		
Net Appropriation		63,616(6)
Water Resources Survey		
Total Requirements		714,256(5)
Less Estimated:		
Federal Funds:		
Hydrography		207,000
Water Resources Planning		100,000
Special Fund—Hydrography		12,900
Net Appropriation		394,356(5)
Flood Control		
	Net Appropriation	36,729(3)
Project Development		
	Net Appropriation	38,369(3)
Supplementation to Irrigation Revolving Fund:		
Waimanalo Irrigation System		84,226(9)

Waimea Irrigation System	25,228(3)
Molokai Irrigation System	53,956(3)
Total Requirements	163,410(15)
Less Estimated Special Funds	101,956(15)
Net Appropriation	61,454

Provided, that the sum of \$100,000 in general fund appropriation authorized for the continuation and expansion of the water resources planning program shall be allotted only to the extent federal matching funds are made available for this purpose.

Provided, further, that the appropriation supplementing the irrigation system revolving fund shall be reduced to the extent the actual receipts from the Waimea and Waimanalo Irrigation systems shall exceed the estimated sum of \$48,000 for the fiscal year 1968-1969.

#### PLANNING AND ECONOMIC DEVELOPMENT,

DEPARTMENT OF	2,676,314(70)
Planning and Economic Development Services	
Net Appropriation	725,701(56)
Foreign Trade and Pacific Affairs	
Total Requirements	138,358(6)
Less Estimated Foreign Trade	
Zone Revenues	36,000
Net Appropriation	102,358(6)
Hawaii Capital Loan	
Total Requirements	65,000
Less Estimated Revolving Fund	65,000
Net Appropriation	.....
Industry and Product Promotion	
Net Appropriation	40,000
Tourism Promotion	
Net Appropriation	1,478,554
Tourism Advisory Committees	
Net Appropriation	2,000
Land Use Commission	
Net Appropriation	72,148(4)
Commission on Manpower and Full Employment	
Net Appropriation	55,947(4)
Hawaii Technical Services	
Total Requirements	113,204
Less Estimated:	
Federal Funds	59,204
Private Contributions	5,204
Net Appropriation	48,796
International Development Assistance	
Net Appropriation	75,810
Small Business Extension Service	
Net Appropriation	25,000
Tourist Destination Study	
Net Appropriation	50,000

Provided, that in the foreign trade zone and Pacific Affairs program, revenues from the trade zone operations shall first be expended for the trade zone's harbor operations and the maintenance and upkeep of the trade zone facilities, and receipts in excess of such requirements shall be applied to reduce the general fund appropriation herein provided.

Provided, further, that in the tourism promotion program, the department may contract for tourism promotion; and provided, further, that the department shall not engage in tourism promotion other than by contract or contracts.

Provided, further, that as a follow-up to his report of March 1968, the Legislative Auditor shall examine the books, records and transactions of the Hawaii Visitors Bureau as of June 30, 1968, and of the books, records and transactions of the organization with whom the department may contract for tourism promotion during the fiscal year 1968-69, as of December 31, 1968, and shall report his findings and recommendations to the Legislature at the commencement of its regular session of 1969.

<b>TRANSPORTATION, DEPARTMENT OF</b>	<b>306,911(17.25)</b>
General Administration	
Total Requirements	828,461(56)
Less Estimated Special Funds:	
Airports	202,892
Harbors	135,260
Highways	372,466
Construction	83,525(6)
Federal Funds	34,318
Net Appropriation	.....
Airports	
Administration	3,961,169(88.25)
Operations and Maintenance	3,301,064(229.5)
Total Requirements	7,262,233(317.75)
Less Estimated Special Funds:	
Airports	7,181,944(317.75)
Harbors	80,289
Net Appropriation	.....
Harbors	
Administration	3,762,813(31.5)
Operations and Maintenance	1,927,029(152)
Honolulu Fireboat Operation	286,816
Small Boat Harbors	306,911(17.25)
Total Requirements	6,283,569(200.75)
Less Estimated Special Fund—Harbors	5,976,658(183.5)
Net Appropriation	306,911(17.25)
Highways	
Administration	5,782,524(33)
Operations and Maintenance	4,285,910(326)
Total Requirements	10,068,434(359)
Less Estimated Special Fund—Highways	10,068,434(359)
Net Appropriation	.....

Provided, that in the visitor information program, the positions for which funds are appropriated in this budget shall be converted into permanent positions, without loss of salary, seniority, prior service credit, vacation, sick leave or other employee benefit or privilege and incumbents shall be appointed to a civil service position within the meaning of Chapters 3 and 4 of the Revised Laws of Hawaii 1955 without the necessity of examination, effective January 1, 1969.

Provided, further, that in the Honolulu fireboat operation, the sum of \$23,842 provided for additional positions shall be contingent on the reduction of the workweek for firemen by the City and County of Honolulu.

Provided, further, that with respect to the airports division, the governor in his discretion may exempt not more than five positions from Chapters 3 and 4, Revised Laws of Hawaii 1955, as amended; and provided, further, that such employees shall be entitled to participate in any employee benefit programs or privileges.

## HEALTH, PROTECTIVE AND SOCIAL SERVICES

<b>DEFENSE, DEPARTMENT OF</b>	
Civil Defense	1,118,704(130)
Total Requirements	283,474(15)
Less Estimated Appropriated Receipts	135,035
Net Appropriation	148,439(15)
Command and Administration	
Net Appropriation	482,262(52)
Maintenance and Operations	
Total Requirements	577,649(63)
Less Estimated Appropriated Receipts	89,646
Net Appropriation	488,003(63)

Provided, that if the Hawaii National Guard and the Hawaii Air National Guard shall be called or ordered into the service of the United States, the foregoing appropriations or any part thereof remaining unexpended shall be available to the Hawaii State Guard. If only a part of the Hawaii National Guard or the Hawaii Air Na-

tional Guard should be called or ordered into the service of the United States, the adjutant general with the approval of the director of finance shall allocate the foregoing appropriation or any part thereof remaining unexpended between the Hawaii State Guard and the Hawaii National Guard.

<b>HEALTH, DEPARTMENT OF</b>	<b>14,895,504(1614.9)</b>
<b>General Administration</b>	
Departmental Administration	513,205(39)
Comprehensive Health Planning	79,526(2)
Health Education	162,928(10)
Research, Planning and Statistics	233,371(30.5)
Total Requirements	989,030(81.5)
Less Estimated Appropriated Receipts	119,303(10.5)
Net Appropriation	869,727(71)
<b>District Health Offices</b>	
Total Requirements	325,724(41.5)
Less Estimated Appropriated Receipts	19,968(3)
Net Appropriation	305,756(38.5)
<b>Children's Health Services</b>	
Administration	97,218(8)
Crippled Children	757,982(37.5)
Maternal and Child Health	155,402(9)
Children and Youth	809,861(32)
Maternity and Infant Care	522,524(28.5)
Services for Children of Guam,	
American Samoa and Trust Territories	35,000(1)
Mental Retardation Special Project	143,280(13)
Total Requirements	2,521,267(129)
Less Estimated Appropriated Receipts	1,384,178(98.5)
Net Appropriation	1,137,089(30.5)
<b>Communicable Disease</b>	
Administration	111,273(9)
Epidemiology	94,680(5)
Tuberculosis Control	284,090(27)
Hansen's Disease:	
Hale Mohalu Hospital	525,416(48)
Kalaupapa Settlement	983,360(60)
Total Requirements	1,998,819(149)
Less Estimated:	
Appropriated Receipts	1,243,764(5)
Special Funds	90,000
Net Appropriation	665,055(144)
<b>Dental Health</b>	
Total Requirements	353,259(47.2)
Less Estimated Appropriated Receipts	12,500(1.2)
Net Appropriation	340,759(46)
<b>Environmental Health</b>	
Administration	32,514(2)
Food and Drug	88,057(9)
Health Engineering	164,072(15)
Sanitation	511,296(55)
Mosquito Control	274,282(35)
Rodent Control	314,728(44)
Water Pollution	86,085(4)
Total Requirements	1,471,034(164)
Less Estimated:	
Appropriated Receipts	90,133(6)
Special Funds	10,704(1)
Trust Fund	6,000
Net Appropriation	1,364,197(157)
<b>Medical Health Services</b>	
Administration	27,311(2)
Chronic Disease	94,909(7)
Hospital, Medical Facilities and Medicare	163,541(15)

Laboratory Services	329,265(34)
Injury Control	45,653(3)
Nutrition	53,377(5)
Public Health Nursing	1,025,976(116)
Total Requirements	1,740,032(182)
Less Estimated Appropriated Receipts	402,529(40)
Net Appropriation	1,337,503(142)
Mental Health	
Administration	61,334(5)
Preventive and Clinical Services	1,524,066(111)
Hawaii State Hospital	
Administration	216,635(30)
Clinical Services	1,091,604(90)
Nursing Services	1,850,547(268)
Maintenance and Operations	461,133(43)
Support and Subsistence	723,162(64)
Total Requirements	5,928,481(611)
Less Estimated Appropriated Receipts	201,169(5)
Net Appropriation	5,727,312(606)
Waimano Training School and Hospital	
Administration	45,307(4.4)
Extramural Activities	137,298(5)
Hospital Improvement Program—	
Intensive Care of Young, Retarded	
Children at Waimano	52,484
Hospital Improvement Program—Intensive	
Program for Community Placement	67,271(3)
Medical and Hospital Services	645,318(89.5)
Social Services and Placement	157,880(16)
Training	146,006(15)
Cottage Life	1,005,605(165)
Institution Facilities Administration	77,441(9)
Food Service	428,838(36)
Maintenance and Production	475,110(35)
Sewing Services	34,548(2)
Total Requirements	3,273,106(379.9)
Less Estimated Appropriated Receipts	125,000
Net Appropriation	3,148,106(379.9)
Research Projects	
Total Requirements	310,747
Less Estimated Appropriated Receipts	310,747
Net Appropriation	.....

Provided, that if a sum less than \$1,200,000 is provided by Congress for the Hansen's disease program, then the difference between \$1,200,000 and the sum so provided is hereby appropriated; and provided, further, that if a sum greater than \$1,200,000 is so provided, then the amount of the net general appropriation shall be reduced to the extent that the actual realization shall exceed the estimated sum of \$1,200,000 for the fiscal year 1968-1969.

Provided, further, that the appropriation for Hawaii State Hospital is intended for an average daily inpatient population of 700.

Provided, further, that the appropriation for Waimano Training School and Hospital is intended for an average daily ward population of 835.

Provided, that the sum of \$140,000 for financial aid to mental retardation associations shall be used on programs for the severely mentally retarded from age four to twenty-one years, and allocated on the basis of \$7,000 per class, per 12-month program, and distributed quarterly in advance.

Provided, that the children and youth projects in the Nanakuli and the Kalihi-Palama areas are coordinated with Model Cities, Progressive Neighborhoods and other related programs.

#### ACT 97 HEALTH FUNCTIONS

Hospital Administration  
Net Appropriation

6,790,402(1318.5)

50,302(4)

Maluhia Hospital	
Net Appropriation	2,464,535(288)
Hilo Hospital	
Total Requirements	3,337,639(387)
Less Estimated Hospital Receipts	2,160,406
Net Appropriation	1,177,233(387)
Honokaa Hospital	
Net Appropriation	326,718(34)
Kohala Hospital	
Net Appropriation	260,769(31)
Kona Hospital	
Net Appropriation	399,806(43)
Kula Sanatorium and General Hospital	
Total Requirements	1,381,566(175)
Less Estimated Hospital Receipts	650,144
Net Appropriation	731,422(175)
Maui Memorial Hospital	
Total Requirements	1,964,544(205.5)
Less Estimated Hospital Receipts	1,600,000
Net Appropriation	364,544(205.5)
Hana Medical Center	
Total Requirements	78,108(5)
Less Estimated Hospital Receipts	22,000
Net Appropriation	56,108(5)
Kauai Veterans Memorial Hospital	
Total Requirements	479,748(46)
Less Estimated Hospital Receipts	365,000
Net Appropriation	114,748(46)
Samuel Mahelona Memorial Hospital	
Total Requirements	869,717(100)
Less Estimated Hospital Receipts	25,500
Net Appropriation	844,217(100)

Provided, that the appropriation for hospitals operating under special funds is a supplement to the estimated receipts for the operation and maintenance of such hospitals for fiscal year 1968-1969.

Provided, further, that the appropriations for hospitals covered under Act 97, Session Laws of Hawaii 1965, are intended for the following average daily inpatient population: Maluhia (144); Hilo (305); Honokaa (20); Kohala (14); Kona (40); Kula (142); Maui Memorial (100) and Hana (2).

JUDICIAL BRANCH	5,620,407(509)
Supreme Court	
Supreme Court Proper	280,864(19)
Administrative Director	199,588(9)
State Law Library System	106,901(5)
Publication of Hawaii Reports	12,750
Bar Examination	1,000
District Court of Kalawao	250
Revisor of Statutes	69,169(4)
Total Requirements	670,522(37)
Less Estimated	
Special Funds	1,000
Net Appropriation	669,522(37)
Land Court	
Net Appropriation	46,758(4)
First Circuit Court	
First Circuit Court Proper	1,028,595(97)
Jury Trial Expenses	354,950
Adult Probation	194,786(23)
Net Appropriation	1,578,331(120)
Family Court	
Family Court Proper	920,101(87)
Juvenile Detention Home	260,922(33)
Net Appropriation	1,181,023(120)

Second Circuit Court	
Second Circuit Court Proper	128,091(11)
Jury Trial Expenses	13,000
Family Court	163,697(17.5)
Net Appropriation	304,788(28.5)
Third Circuit Court	
Third Circuit Court Proper	221,448(17)
Jury Trial Expenses	25,000
Family Court	154,956(16)
Net Appropriation	401,404(33)
Fifth Circuit Court	
Fifth Circuit Court Proper	100,958(9)
Jury Trial Expenses	8,815
Family Court	64,065(5)
Net Appropriation	173,838(14)
District Court	
District Courts of Honolulu:	
Judicial Services	413,642(39)
Traffic Violations Bureau	406,512(58)
Rural District Courts	207,709(26)
District Courts of Maui	84,874(10.5)
District Courts of Hawaii	120,376(12)
District Courts of Kauai	31,630(7)
Net Appropriation	1,264,743(152.5)

Provided, that the appropriation for jury trial expenses shall not be used for any other purpose.

Provided, further, that from the appropriation for the office of the administrative director, the Judicial Branch shall make funds available to cover operating expenses of the Judicial Council.

Provided, further, that from the appropriation for the Family Court, the sum of \$97,330 is to be used only for the purpose of placing delinquent wards in foster homes, including child care institutions.

Provided, further, that the appropriation for the Juvenile Detention Home is intended for an average daily ward population of 35 children.

Provided, further, that from the appropriation for the office of the administrative director of courts, the sum of \$100,000 or so much thereof as may be necessary is to be available for rental payments to the counties for space occupied by the district courts.

LABOR AND INDUSTRIAL RELATIONS, DEPARTMENT OF Administration	1,066,629(113)
Net Appropriation	245,132(23.3)
Computer Center No. 2	
Total Requirements	404,785(26)
Less Estimated:	
Appropriated Receipts	186,139(14.8)
Department of Taxation Requirements	163,722
Net Appropriation	54,924(11.2)
Apprenticeship	
Net Appropriation	50,837(5)
Labor Law Enforcement	
Net Appropriation	231,788(25)
Workmen's Compensation	
Net Appropriation	221,339(23)
Industrial Safety	
Net Appropriation	240,868(24)
Hawaii Employment Relations Board	
Net Appropriation	21,741(1.5)
Manpower Development and Training Act	
Total Requirements	167,000
Less Estimated Special Funds	167,000
Net Appropriation	.....

<b>Employment Security</b>	
Total Requirements	2,309,328(227.7)
Less Estimated Appropriated Receipts	2,309,328(227.7)
Net Appropriation	.....
 <b>SOCIAL SERVICES, DEPARTMENT OF</b>	
<b>Departmental Administration</b>	23,755,765(770.07)
Total Requirements	725,840(64)
Less Estimated Federal Funds	253,802(2)
Net Appropriation	472,038(62)
<b>Parole and Pardon of Felons</b>	
Net Appropriation	180,162(18.5)
<b>Public Housing</b>	
Total Requirements	5,170,249(220)
Less Estimated Special Funds	5,124,420(215)
Net Appropriation	45,829(5)
<b>Criminal Injuries Compensation Commission</b>	
Net Appropriation	5,688(1.5)
<b>Corrections Division</b>	
Administration	
Net Appropriation	74,312(6)
Detention and Rehabilitation of Juvenile Offenders	
Hawaii Youth Correctional Facility	
Net Appropriation	767,850(83)
Juvenile Parole	
Net Appropriation	89,948(7)
Custody and Rehabilitation of Felons	
State Prison	
Total Requirements	1,767,291(157)
Less Estimated Special Funds	266,627(9)
Net Appropriation	1,500,664(148)
Kulani Honor Camp	
Net Appropriation	396,706(34)
Olinda Honor Camp	
Net Appropriation	224,096(19)
Public Welfare Services	
Administration	247,704(19)
Oahu Branch	1,705,336(213.5)
Hawaii Branch	312,441(36.77)
Maui Branch	195,283(22.25)
Kauai Branch	133,345(16.8)
Total Requirements	2,594,109(308.32)
Less Estimated Appropriated Receipts	997,071(17)
Net Appropriation	1,597,038(291.32)
<b>Vocational Rehabilitation and Services</b>	
for the Blind	
Vocational Rehabilitation	1,661,639(67.75)
Services to the Blind	495,405(27)
Disability Determination	126,075(8.55)
Total Requirements	2,283,119(103.30)
Less Estimated:	
Appropriated Receipts	1,609,076(8.55)
Special Funds	151,423
Net Appropriation	522,620(94.75)
Economic Assistance	
Payments to Indigents and Medically Indigent:	
Aid to Aged, Blind and Disabled	11,570,522
Aid to Families with Dependent Children	14,422,329
Child Welfare Foster Care	817,549
General Assistance	2,678,709
Total Requirements	29,489,109
Less Estimated Appropriated Receipts	11,921,562
Net Appropriation	17,567,547

**ACT 74**

Work Experience and Training Program	
Total Requirements	95,593
Less Estimated Appropriated Receipts	76,474
Net Appropriation	19,119
Payments for Disabled and Paraplegic Veterans	
Net Appropriation	21,425
Act 97—Burial of Indigents	
Net Appropriation	75,625
Act 97—Medical Payments for State and County Pensioners	
Net Appropriation	195,098

Provided, that for engineering services in the public housing program, the position ceiling to be financed out of project funds shall be 13.

Provided, further, that \$39,837 from the State Prison program is available to transport and care for felons transferred to mainland penitentiaries.

Provided, further, that the appropriation for the detention and rehabilitation of juvenile offenders program is intended for an average daily ward population of 100 children.

Provided, further, that the appropriation for the custody and rehabilitation of felons—State Prison program is intended for an average daily inmate population of 400 felons.

Provided, further, that the appropriation for the custody and rehabilitation of felons—Kulani Honor Camp program is intended for an average daily inmate population of 60 felons.

Provided, further, that the appropriation for the custody and rehabilitation of felons—Olinda Honor Camp program is intended for an average daily inmate population of 40 felons.

Provided, further, that from the appropriation for the juvenile parole program, the sum of \$27,552 shall be used for purchasing foster home care and clothing for wards paroled from Hawaii Youth Correctional Facility.

Provided, further, that the sum of \$44,795 in the social welfare services program shall be available for scholarships on a statewide basis to any qualified applicant.

Provided, further, that the appropriation for payments for indigents is intended for average monthly caseloads of: aid to the aged, blind and disabled—3,593 cases; aid to families with dependent children—4,574 cases; child welfare foster care—583 cases; and general assistance—1,384 cases.

Provided, further, that the appropriation for medical payments for indigents and medical indigents is intended for the following: inpatient care—8,140 patients for an average length of stay of 9.6 days per patient; extended facility care—1,876 patients for an average length of stay of 186 days per patient; and outpatient care—38,935 patients for an average of 6.6 visits per patient.

Provided, further, that the Department of Social Services utilizes the assistance of the Attorney General's office to carry out the present activities of the Criminal Injuries Compensation Commission until such time as the workload necessitates permanent staffing.

**FINANCE, COMMERCE AND STAFF DEPARTMENTS**

ACCOUNTING AND GENERAL SERVICES,	11,493,424(647)
DEPARTMENT OF	
Department Administration	
Net Appropriation	205,908(23)
Insurance Management Program	
Administration	2,285
Commercial Insurance Purchase of	
Auto Fleet Coverage	58,650
State Insurance Fund	
Workmen's Compensation	350,000
Fire and Other Casualties	175,000
Total Requirements	585,935
Less Estimated Special and	
Federal Funds	76,393
Net Appropriation	509,542

Internal Post-Audit	
Net Appropriation	144,296(14)
Division of Accounting	
Uniform Accounting and Reporting	67,015(7)
System Accounting	56,928(5)
Pre-Audit	141,650(15)
Net Appropriation	265,593(27)
Computer Center No. 1	
Total Requirements	473,726(29)
Less Estimated Reimbursements	52,000
Net Appropriation	421,726(29)
Public Archives Division	
Records Service	78,431(10.75)
Records Management	44,889(6.25)
Captain Cook Memorial	500
Total Requirements	123,820(17)
Less Estimated Special Funds	500
Net Appropriation	123,320(17)
Division of Central Services	
Maintenance and Operation of Buildings and Grounds	1,659,659(176)
Repairs and Alterations of Buildings	486,790(27)
Central Messenger Service	21,203(5)
Repairs and Maintenance of Schools	6,976,927(258)
Total Requirements	9,144,579(466)
Less Estimated Special Funds	87,544
Net Appropriation	9,057,035(466)
Automotive Services Division	
Parking	173,216(6.5)
Motor Pool	107,777(8.5)
Total Requirements	280,993(15)
Less Estimated Special Funds	280,993(15)
Net Appropriation	.....
Land Surveying	
Net Appropriation	358,644(28)
Division of Public Works	
Public Works Administration	
Net Appropriation	267,245(28)
Division of Purchasing and Supply	
Central Purchasing and Supply	110,560(14)
Inventory Management	9,055(1)
Federal Surplus Property	89,864(10)
State Surplus Property	6,831
Total Requirements	216,310(25)
Less Estimated:	
Federal Surplus Property Revolving Fund	89,864(10)
State Surplus Property Revolving Fund	6,831
Net Appropriation	119,615(15)
Kamehameha Day Celebration Commission	
Celebration Expenses	
City and County of Honolulu	10,000
Hawaii County	5,000
Kauai County	2,500
Maui County, including Kalaupapa	3,000
Net Appropriation	20,500
ATTORNEY GENERAL, DEPARTMENT OF THE	891,729(58)
Attorney General's Office Proper	838,331(63)
Litigations	150,000
Total Requirements	988,331(63)
Less Estimated Special Funds	171,858(14)
Net Appropriation	816,473(49)
Office of the Sheriff	
Net Appropriation	9,900(1)

**ACT 74**

Bureau of Crime Statistics	
Net Appropriation	12,488(2)
Bureau of Civil Identification	
Net Appropriation	34,713(4)
Commission on Subversive Activities	
Net Appropriation	18,155(2)
<b>BUDGET AND FINANCE, DEPARTMENT OF</b>	
Departmental Administration	55,786,194(153)
Net Appropriation	347,673(8)
Budget Division	
Budget Services	243,951(23)
Bonus to Pensioners	2,630,354
Act 97 Functions:	
Employees' Retirement System Contribution	1,234,316
Administrative Overhead	300,000
Net Appropriation	4,408,621(23)
Management Division	
Net Appropriation	70,099(6)
Commission on Children and Youth	
Net Appropriation	28,622(2)
Statewide Information System Division	
Net Appropriation	529,625(71)
Finance Division	
Cash and Debt Management	104,797(7)
Public Debt Service	83,894
Bonded Debt	26,068,326
Student Loan Fund	220,000
Veterans' Loans	1,841,277(2)
Total Requirements	28,318,294(9)
Less Estimated Special Funds	1,856,277(2)
Net Appropriation	26,462,017(7)
Employees' Retirement System	
Administration	286,711(24)
Contributions	18,577,141
Pensions	30,788
Total Requirements	18,894,640(24)
Less Estimated Counties Pro-Rata Share	84,290
Net Appropriation	18,810,350(24)
Employees' Group Medical and Hospital Care	
Administration	94,912(9)
Contributions	4,962,886
Net Appropriation	5,057,798(9)
Commission on Aging	
Total Requirements	186,384(3)
Less Estimated Federal Fund—Older	
Americans Act	114,995
Net Appropriation	71,389(3)
Provided, that the Governor may transfer funds and personnel from existing agencies and departments of the state government for the purpose of establishing an integrated statewide data processing system of the state including all related activities.	
Provided, further, that the board of trustees of the employees' group medical and hospital care program may use so much of the contributions appropriation as necessary to advance to employee-beneficiaries their monthly contributions to the fund.	
<b>EXECUTIVE</b>	1,055,522(32)
Governor's Office	
Net Appropriation	479,677(21)
Washington Place	
Net Appropriation	90,203(8)
Governor's Contingent Fund	
Net Appropriation	100,000
Hawaii Office of Economic Opportunity	
Total Requirements	242,325(7)

Less Estimated Federal Funds	83,685(7)
Net Appropriation	158,640
Western Interstate Commission for Higher Education	
Net Appropriation	82,650
Institute for Technical Exchange	
Net Appropriation	2,600
State Foundation on Culture and the Arts	
Total Requirements	218,945(3)
Less Estimated:	
Federal Funds	50,000
Appropriated Receipts	50,000
Net Appropriation	118,945(3)
Committee on Employment of the Handicapped	
Net Appropriation	22,807

Provided, that the appropriation for the Governor's Office and Washington Place shall be expended at the discretion of the Governor.

Provided, further, that expenditures from the Governor's Contingent fund may be made with the approval of the Governor for urgent needs; a detailed accounting of all expenditures shall be submitted to the legislature 20 days prior to the next regular session of the legislature.

Provided, further, that in the event expenditures from the Governor's Contingent Fund exceed \$100,000 the Governor may submit a deficiency appropriation request.

LIEUTENANT GOVERNOR, OFFICE OF THE	502,514(11)
Lieutenant Governor's Office	
Net Appropriation	159,224(11)
Elections Administration	
Net Appropriation	343,290

Provided, that the appropriation for the Lieutenant Governor's Office shall be expended at the discretion of the Lieutenant Governor.

PERSONNEL SERVICES, DEPARTMENT OF	525,007(49)
Personnel Services	
Net Appropriation	520,532(49)

Appeals Board	
Net Appropriation	4,475
REGULATORY AGENCIES, DEPARTMENT OF	1,243,099(121)
Administration	
Net Appropriation	164,324(18)
Bank Examination	
Net Appropriation	166,976(16)
Business Registration	
Net Appropriation	66,576(8)
Fire Marshal	
Net Appropriation	38,263(3)
Insurance Division	
Net Appropriation	113,449(12)
Regulatory Boards and Commissions	
Net Appropriation	30,531
Professional and Vocational Licensing	
Net Appropriation	323,472(34)
Public Utilities Commission	
Net Appropriation	339,508(30)

TAXATION, DEPARTMENT OF	3,413,922(366)
Headquarters Administration	
Net Appropriation	573,410(46)
Property Technical	
Net Appropriation	241,765(29)
Systems and Procedures	
Net Appropriation	254,663(13)
Field Administration	
Net Appropriation	193,207(15)

**ACT 74**

Property Assessment	
Net Appropriation	564,935(68)
Income Assessment and Audit	
Net Appropriation	1,127,466(136)
Collection	
Net Appropriation	449,626(59)
Tax Appeals	
Board of Review	5,500
Tax Appeal Court	3,350
Net Appropriation	8,850

**OTHER APPROPRIATIONS**

STATE ETHICS COMMISSION	
Net Appropriation	28,000

ADVISORY COMMITTEE ON A CONFERENCE ON	
THE YEAR 2000	
Net Appropriation	50,000

OFFICE OF OMBUDSMAN	
Net Appropriation	103,000

**SUSSIDIES TO COUNTIES AND PRIVATE AGENCIES**

LEAHI HOSPITAL	
Total Requirements	1,786,897(94.75)
Less Estimated	
Hospital Receipts	175,000
Net Appropriation	1,611,897(94.75)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital in connection with the tuberculosis treatment program; provided, that the appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$175,000 for the fiscal year 1968-1969. The appropriation above is intended for an average daily in-patient population of 150 for the tuberculosis program, including 50 partially rehabilitated mental patients transferred from State Hospital.

Provided, further, that no vacancies may be filled by Leahi Hospital without having first received the approval of the director of finance.

PRIVATE HOSPITAL SUBSIDIES	188,681
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Provided, that the subsidies for private hospitals shall be disbursed by the Department of Health.

STRONG-CARTER DENTAL CLINIC	
Net Appropriation	5,000

LUNALILO HOME	
Net Appropriation	25,000

CEMETERIES	
Island of Hawaii	7,500
Island of Kauai	7,500
Island of Maui	7,500
Island of Molokai	3,750
Net Appropriation	26,250

PACIFIC WAR MEMORIAL COMMISSION	
Net Appropriation	4,200

**SECTION 2.** The sum of \$316,017(27) or so much thereof as shall be sufficient to accomplish the purposes, is hereby approved for the Hawaiian Homes Administration account pursuant to the provisions of section 213(f), Hawaiian Homes Commission Act of 1920, as amended, from the proceeds of leasing income from available lands as defined in section 204 of this act.

In addition to the sum approved in the previous paragraph, there is hereby appropriated out of the general revenues of the state the sum of \$100,000 or so much thereof as may be necessary, for deposit into a special revolving account within the Hawaiian home-loan fund established pursuant to the provisions of Act 4, Session Laws of Hawaii 1965.

SECTION 3. The sum of \$116,000, or so much thereof as shall be sufficient to accomplish the purposes, is approved for the establishment of the Special Commission on State Government Operations which shall review and report on the operations of the various departments of the state government and submit such recommendations as may be required for the achievement of improved efficiency and economy in the state government operations and all other things necessary. The funds appropriated shall be expended by the Chairman of the Special Commission on State Government Operations in the manner provided by law.

SECTION 4. All Sand Island income, including accumulated receipts, is hereby authorized to be expended for the operating expenses of the University of Hawaii. Such amount, excluding amounts required to reimburse the general fund for capital improvements, shall be deposited into the general fund of the State and shall be considered to be a reimbursement to the general fund for moneys appropriated for the operation of the University of Hawaii in Section 1 of this act.

SECTION 5. The sum of \$206,000 of East-West Center direct support funds, or so much as may be made available by the East-West Center for direct support purposes, is hereby authorized to be expended by the University of Hawaii. This amount shall be deposited into the general fund of the state and shall be considered to be a reimbursement to the general fund for moneys appropriated for the operation of the University of Hawaii in Section 1 of this act. In the event the actual amount of East-West Center direct support funds for the fiscal year 1968-1969 should fall under or exceed the amount of \$206,000 estimated, the appropriations made to the University of Hawaii in Section 1 of this act shall be decreased or increased by the amount the actual direct support funds fall under or exceed the amount of \$206,000.

SECTION 6. The director of finance may advance funds to the University of Hawaii when required to meet reimbursable costs incurred in connection with federally financed research and training projects.

SECTION 7. The Governor is hereby authorized to create not more than 40 permanent or temporary positions to be allocated by him to any of the executive departments as he shall deem proper, provided, that this section shall not apply to the Department of Education and the University of Hawaii.

SECTION 8. There is hereby appropriated out of the public trust fund created by Section 5(f) of the Admission Act (Public Law 86-3, 86th Congress), the total amount of the proceeds from the sale or other disposition of

any lands, and the income therefrom, granted to the State by Section 5(b) or later conveyed to the State by Section 5(e), with the exception of such proceeds covered under Section 103A-19, Revised Laws of Hawaii 1955, to be disposed of by the board of land and natural resources, in order to reimburse the general fund for the appropriation made in Section 1 of this act to the Department of Education for the support of public schools, to the extent such proceeds are realized for the period beginning July 1, 1968 to June 30, 1969. The above proceeds shall be exclusive of the amount disposed of under the provisions of the Hawaiian Homes Commission Act of 1920, as amended.

**SECTION 9.** For the fiscal year 1968-1969, in the absence of legislative authorization for special funds in Section 1 of this act as provided under Section 2 of Act 320, Session Laws of Hawaii 1957, departments and establishments shall be authorized to expend so much as is deemed necessary to carry out the purpose of each special fund, as approved by the board of education for the Department of Education and in all other cases by the Governor, or the director of finance if so delegated by the Governor, provided, that such expenditures shall not exceed the moneys available in such special funds.

The University of Hawaii is hereby authorized to expend from their special funds any receipts in excess of the amount specified in Section 1, if such expenditures are approved by the Governor or if so delegated by the director of finance.

**SECTION 10.** The Governor is responsible for the effective coordination of the various federal programs, and for the acquisition of available federal grants which will be of benefit to the state. In carrying out this function, maximum use should be made of congressional delegations and their staffs.

Up to \$20,000 may be used to supply supplemental staff assistance to Hawaii's member on the Commission on Marine Science, Engineering, and Resources with the understanding that all or a substantial part of the amount will be matched by private funds. The basic purpose of such staff will be to identify and develop oceanographic research and development opportunities for the State, including programs or grants available to the University of Hawaii and other public or private agencies eligible under Public Law 89-688 and related legislation.

**SECTION 11.** Whenever the functions of a previously existing department, office, or other agency are transferred to any other department by legislation enacted during any session of the legislature which affects the appropriations made by this act, the Governor, or the Department of Budget and Finance if so delegated by the Governor, shall transfer the necessary funds to support such function from the department to which the appropriation was made to the department to which the function has been transferred.

**SECTION 12.** The designations referring to divisions, bureaus, offices and other subdivisions of department are used in this act for convenience

only and such use is not intended to create or confirm the existence of such departmental subdivision.

SECTION 13. In allotting funds to the Department of Health, Department of Social Services, tubercular hospitals and other departments, commissions and agencies having appropriations which are based on population and workload data as specified in this act, only so much as is necessary to provide the level of services intended by the legislature shall be allotted by the Department of Budget and Finance. For this purpose, the departments and agencies concerned shall reduce expenditures below appropriations as prescribed by the Department of Budget and Finance in the event actual population and workload trend is less than the specified figure. In the event that the trend is higher than the specified figure, or the reasonable average daily cost of medical care for the needy and medically needy exceeds the anticipated average sum per patient day upon which the appropriation therefor was based, the department is authorized to submit a deficiency appropriation request to the extent and on such basis as may be prescribed by the director of the Department of Budget and Finance.

SECTION 14. Except as otherwise provided, transfer of funds between program appropriations within a department may be made by the head of the department upon his certification, and approval by the director of the Department of Budget and Finance, that appropriation balances are or will be available for such transfers after the program objectives intended by the legislature have been accomplished and that such transfers are necessary to accomplish program objectives authorized by the legislature.

SECTION 15. Where the operation of a department of a program is financed by general appropriation as well as by non-general appropriation funds, the general appropriation portion shall be decreased to the extent that the receipt of non-general appropriation funds approved in this Act are exceeded, provided, that such decrease shall not jeopardize the receipt of such increased non-general appropriation funds; provided, further, that this section shall not apply to any fund if such excess receipts are to be expended for a purpose or purposes approved by the Governor or the director of the Department of Budget and Finance if such authority is so delegated by the Governor.

SECTION 16. The maximum number of positions authorized for the state government during the fiscal year 1968-1969 is the sum of the positions enclosed in parenthesis after the appropriation or approved amounts for state programs, provided, that this section shall not apply to any position required to perform a function or service of a temporary or non-recurring character, nor shall it apply to the Department of Education and the University of Hawaii.

SECTION 17. Funds appropriated in this Act shall not be used by a department for the purpose of conducting a study or survey of its management practices or for any other purpose, except as authorized by this Act or

as authorized by the Governor. This section shall not apply to the Department of Education and the University of Hawaii.

SECTION 18. Any law to the contrary notwithstanding, any state or county official, body or agency, or any private person, association, partnership or corporation performing any repair or construction project financed in part or in whole by state funds appropriated by this act shall cooperate to the fullest extent possible with the Department of Labor and Industrial Relations in the hiring and utilization of unemployed persons; provided, that such persons may be employed on a temporary basis which shall be exempt from Chapters 3, 4, and 6 of the Revised Laws of Hawaii 1955, as amended; and provided, further, that such persons shall meet the minimum requirements necessary for such position.

SECTION 19. The Department of Social Services, Department of Health, Department of Education, and other departments within the state and county governments shall undertake to cooperate with each other in order that utilization of prison labor, welfare recipient workers and non-teaching employees of the Department of Education can be utilized whenever and wherever it is reasonably practicable to carry out the objectives and programs of the departments concerned.

SECTION 20. The Governor may expend, in addition to the amount appropriated in Section 1 for the Hawaii Office of Economic Opportunity, a sum not to exceed \$460,000; provided, that such amount and any balance of the said appropriation in Section 1 not needed for Economic Opportunity Act matching purposes, may be used to make necessary advances subject to federal reimbursements to implement authorized projects, or to provide either matching or implementation money for Economic Opportunity Act projects or other related projects in areas such as health, education, housing, social welfare or employment.

The Hawaii Office of Economic Opportunity may utilize from this appropriation a sum not to exceed \$25,000 for the purpose of developing a plan for a comprehensive new careers and job opportunities program.

SECTION 21. The Governor or the director of the department of budget and finance, if so delegated, may create a "Payroll Contingency Fund" to which may be credited savings from the several departments sufficient to pay for the costs of classification actions.

SECTION 22. With the approval of the director of budget and finance, the department of health may transfer funds appropriated to the department of health for the care and treatment of patients to the department of social services whenever the department of social services can utilize such funds to match federal funds which may be available to help finance the cost of hospital or skilled nursing home care of indigents or medical indigents.

The department of social services is authorized to enter into agreements with the department of health to furnish hospital and/or skilled nursing home care and to pay the department of health for such care. With the approval of

the director of budget and finance, the department of health may deposit part of such receipts into the appropriations from which transfers were made.

SECTION 23. Any law to the contrary notwithstanding, the director of transportation, or any State or county official, body or agency, or any private person, association, partnership or corporation performing any repair or construction project, including the State Highway System and the maintenance thereof, financed in part or in whole by State funds appropriated by this Act, shall cooperate to the fullest extent possible with the department of labor and industrial relations in the hiring and utilization of the physically handicapped, college and high school students, age 16 and above, the unemployed, and persons whose earning capacities are or may be reduced by old age; provided, that when such person is employed by any governmental official, body, or agency, he may be employed on a temporary basis and his employment shall be exempt from Chapters 3, 4 and 6 of the Revised Laws of Hawaii 1955, as amended.

SECTION 24. If any section, subsection, paragraph, sentence, clause, phrase or appropriation contained in this act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act.

SECTION 25. This Act shall take effect from and after July 1, 1968.  
(Approved May 21, 1968.)

### ACT 75

H. B. 502.

A Bill for an Act Relating to Security for Airport Revenue Bonds and Amending Act 195, Session Laws of Hawaii 1965, Act 38, Session Laws of Hawaii 1966, and Act 217, Session Laws of Hawaii 1967.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Act 195, Session Laws of Hawaii 1965, Act 38, Session Laws of Hawaii 1966, and Act 217, Session Laws of Hawaii 1967, collectively authorized the Department of Transportation to issue \$11,818,700 of airport revenue bonds for designated projects at Honolulu International Airport. Sections 13, 14, and 12, respectively, spelled out the security to be pledged to the bond holders. On advice of independent bond counsel in New York, the Department is proposing these amendments to the prior authorizations to insure that the subject revenue bonds will not be counted against the debt limit of the State.

The proposed revision would also permit, but not require, the inclusion in the bond issues of amounts to establish a debt service reserve.

SECTION 2. Section 13, Act 195, Session Laws of Hawaii 1965,

**ACT 75**

Section 14, Act 38, Session Laws of Hawaii 1966, and Section 12, Act 217, Session Laws of Hawaii 1967, are hereby amended in their entirety to read as follows:

"The department of transportation is further authorized to issue airport revenue bonds for airport projects authorized by this Act to be financed by airport revenue bonds, in such principal amount as shall be required to yield the amounts appropriated by this Act from airport revenue bond funds for such projects, plus if so determined by the department and approved by the Governor, such additional amounts as may be deemed necessary by the department to pay interest on such revenue bonds during the construction period and for six months thereafter, to establish, maintain or increase reserves for the airport revenue bonds and to pay the expenses of issuance of such bonds. The aforementioned airport revenue bonds shall be issued pursuant to provisions of Part III, Chapter 137, Revised Laws of Hawaii 1955, as amended. The principal and interest of airport revenue bonds, to the extent not paid from the proceeds of such bonds, shall be secured only by the revenues from airports and related facilities under the ownership of the State and operated and managed by the department or such part thereof as the department may determine, including rents, landing fees and other fees or charges presently or hereafter derived from or arising through the ownership, operation and management of airports and related facilities and the furnishing and supplying of the services thereof. Such security shall not include any taxes and no holder or holders of any bonds shall ever have the right to compel any exercise of the taxing power of the State to pay the bonds or the interest thereon and such bonds shall not constitute a debt of the State within the meaning of any limitation of law. The expenses of the issuance of such airport revenue bonds shall to the extent not paid from the proceeds of such bonds be paid from airport special funds. The Governor, in his discretion, is authorized to use airport special funds to finance those projects in section 1 where the method of financing is designated to be by airport revenue bond funds."

**SECTION 3.** This Act shall take effect upon its approval.

(Became law May 22, 1968, without Governor's signature pursuant to State Constitution, Art. III, § 17.)

**PROPOSED CONSTITUTIONAL AMENDMENT  
H. B. 236**

**A Bill for an Act Proposing an Amendment to Article II, Section 1, of the Constitution of the State of Hawaii to Change the Age Qualification for Voting.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The purpose of this Act is to propose an amendment to Article II, section 1, of the Constitution of the State of Hawaii to lower the age qualification for voting from twenty to eighteen.

**SECTION 2.** Article II, section 1, of the Constitution of the State of Hawaii is amended to read as follows:

“Sec. 1. Every citizen of the United States, who shall have attained the age of eighteen years, have been a resident of this State not less than one year next preceding the election and be a voter registered in accordance with law, shall be qualified to vote in any state or local election. No person shall be qualified to vote unless he is also able, except for physical disability, to speak, read and write the English or Hawaiian language.”

**SECTION 3.** This amendment shall take effect upon compliance with Article XV, section 3, of the Constitution of the State of Hawaii.

(Passed final reading in the House of Representatives on March 16, 1968, and in the Senate on March 25, 1968.)



# **TABLES SHOWING EFFECT OF ACTS**

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## **GENERAL INDEX**

**TABLES SHOWING EFFECT OF ACTS**  
**FOURTH LEGISLATURE, REGULAR SESSION OF 1968**  
**STATE OF HAWAII**

Key: Am = Amended                         — = Section number to be assigned  
 N = New Section                             by the Revisor of Statutes  
 R = Repealed                                 HRS = Hawaii Revised Statutes  
 Ren = Renumbered

**A. SECTIONS OF THE REVISED LAWS OF HAWAII 1955  
 AFFECTED**

Section No.	Effect	Act No.	Section No.	Effect	Act No.
1-43 (HRS 8-2)	Am	39	47-69 (HRS 322-69)	Am	60
4-4.1 (HRS 77-5)	Am	72	47-71 (HRS 322-71)	Am	60
4-9 (HRS 77-12)	Am	72	50-6 (HRS 326-4)	Am	63
5-46 (HRS 79-20)	Am	50	50-23 (HRS 326-21)	Am	34
5A-13.1 (HRS 87-23)	Am	55	77— (HRS 359—)	N	25
11-230 (HRS 16—)	N	42	81-1 (HRS 344-1)	Am	6
11-231 (HRS 16—)	N	42	81-20 (HRS 344-21)	Am	6
11-232 (HRS 16—)	N	42	81-41 (HRS 344-52)	Am	6
11-233 (HRS 16—)	N	42	81-43 (HRS 344-54)	Am	6
11-234 (HRS 16—)	N	42	81-44 (HRS 344-55)	Am	6
11-235 (HRS 16—)	N	42	82-8 (HRS 333-28)	Am	36
11-236 (HRS 16—)	N	42	93-32 (HRS 383-33)	Am	4
11-237 (HRS 16—)	N	42	97-170 (HRS 386—)	N	57
11-238 (HRS 16—)	N	42	102-4 (HRS 155-4)	Am	53
11-239 (HRS 16—)	N	42	102-5 (HRS 155-5)	Am	53
11-240 (HRS 16—)	N	42	102-6 (HRS 155-6)	Am	53
11-241 (HRS 16—)	N	42	102-8 (HRS 155-8)	Am	53
11-242 (HRS 16—)	N	42	103A-56.1 (HRS 171-60)	Am	68
11-243 (HRS 16—)	N	42	115-28 (HRS 231-23)	Am	32
11-244 (HRS 16—)	N	42	117-21 (HRS 237-24)	Am	26
14B-1 (HRS 27-1)	Am	38	117-21.5 (HRS 237-25)	Am	7
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